FBIS DAILY REPORT

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CAPUTO TERMS THATCHER REMARK 'ACT OF ARROGANCE'

PY281155 Buenos Aires TELAM in Spanish 0451 GMT 28 Dec 84

[Text] Buenos Aires, 27 Dec (TELAM) -- Foreign Minister Dante Caputo tonight described Prime Minister Margaret Thatcher's assertion that the Malvinas will always be British as an act of arrogance since it is a far too ambitious a goal for any government to attempt to set the course of history. This is a typical remark by an increasingly small empire which continues to decline, Caputo said.

In a statement made at Jorge Newbery Airport in this capital shortly before departing for Villa Gessel for a short vacation, Caputo said: The diplomatic battle over the recovery of the archipelago will be hard and difficult, but we are certain that, inevitably we will win.

Caputo said that the Argentine claims are in keeping with a decolonization process which has been gaining strength worldwide. He said that we must establish relations with as many countries as possible in order to be able to have greater freedom to decide the Argentine future.

More on Caputo's Reaction

PY281240 Buenos Aires DYN in Spanish 1215 GMT 28 Dec 84

[Excerpts] Buenos Aires, 28 Dec (DYN) -- Foreign Minister Dante Caputo has described Prime Minister Margaret Thatcher's assertion that the Malvinas will always be British as an act of "arrogance." He said that "this is a typical remark by an increasingly small empire, which continues to decline."

"No government leader should say such things" said Caputo in answer to a question about the content of the British prime minister's message to the Malvinas Islands inhabitants. Caputo added that "probably during the time Mrs Thatcher is in the government she will try to carry out that objective, and it is not certain that she will accomplish it either."

Caputo said: "Argentina has legitimate claims, it has a legitimate government making those claims and also has the support of history." Caputo also pointed out that the process of decolonization in the world is moving ahead uninterruptedly and that there are very few countries that maintain colonies like Great Britain.

In conclusion the Argentine foreign minister said that the foreign policy will continue in the same line of action "working as usual to strengthen the international image of the country and its independent capacity."

BORRAS ILL; ACTING DEFENSE MINISTER NAMED

PY290105 Buenos Aires TELAM in Spanish 2355 GMT 28 Dec 84

[Text] Buenos Aires, 28 Dec (TELAM) -- Public Works and Services Minister Roque Carranza has been appointed acting defense minister for Raul Borras, who will be away from his office while recovering from an operation he underwent at the Diagnostic Institute where he is hospitalized. The preamble of Decree 4021 states that Minister Raul Borras will be temporarily separated from his office for health reasons.

IMF APPROVES ADJUSTMENT PLAN, RELEASES CREDIT

PY290126 Paris AFP in Spanish 0010 GMT 29 Dec 84

[Text] Washington, 28 Dec (AFP) -- The IMF tonight approved a standby credit of $1,694 billion for 15 months to Argentina. This approval is conditioned on the implementation of a program of economic adjustment, and it will make possible the refinancing of $26 billion owed to international private banks. Argentina has one of the largest debts in Latin America and had been unable to conclude an agreement on an economic adjustment plan and to renegotiate its debts with the IMF and the internationsl banks.

Communique Issued

PY291902 Buenos Aires TELAM in Spanish 0148 GMT 29 Dec 84

[Figures as received]

[Excerpts] Buenos Aires, 28 Dec (TELAM) -- Economy Minister Bernardo Grinspun tonight announced that IMF Director Jacques de Larosiere has phoned him to inform him that the IMF board has approved a standly credit for 1.694 billion Special Drawing Rights [SDRs], which is equivalent to $1.665 billion. The following communique was issued on this subject:

"IMF Director Jacques de Larosiere has officially informed the Argentine Government that today the IMF board approved a standby credit totaling 1.694 billion SDR's, equivalent to $1.419 billion, for a term of 15 months, and 275 million SDRs as a special financing service to compensate for the fall in the income of exports. This amount will be drawn immediately.

"With the approval of these operations, negotiations with the IMF have been concluded.

"The meeting with the Paris Club to discuss the refinancing of credits issued by official organizations to the Argentine Government over those operations that are due from 1982 to 1985 is scheduled to be held on 15 and 16 January.

"After this, Argentina will sign those agreements that have already been achieved with commercial banks for the refinancing of debts contracted with these banks, which total over $4.2 billion. These will be new funds that will complement the financing needs of the Argentine balance of payments until 31 December 1985. In so doing, the financing of Argentina's foreign debt is in order for all of 1985."

ASTIZ CASE PASSES TO SUPREME MILITARY COUNCIL

PY291805 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1305 GMT 28 Dec 84

[Excerpts] Buenos Aires, 29 Dec (NA) -- Judicial sources reported this morning that the legal process against Navy Captain Alfredo Astiz on the disappearance of the young Swedish girl Dagmar Hagelin was sent to the military courts when Federal Judge Miguel del Castillo declared himself without jurisdiction over the case. In this manner, the proceedings of the case, which was taken to the civil court 3 weeks ago, will now be sent to the Supreme Council of the Armed Forces.

Threatening Letters Sent

LD302019 Stockholm Domestic Service in Swedish 1700 GMT 30 Dec 84

[Text] The Swedish Embassy in Buenos Aires in Argentina has received threatening letters from an Argentine right-wing extremist group that demand that Sweden cease to investigate the case of the disappearance of Dagmar Hagelin. Dagmar Hagelin's father has also received a similar threatening letter signed by the Argentine National Group. The Swedish Embassy in Buenos Aires is taking the letters seriously and has reported the matter to the Argentine Foreign Ministry.

CHAMBER OF DEPUTIES APPROVES BEAGLE TREATY

PY282138 Buenos Aires TELAM in Spanish 1943 GMT 28 Dec 84

[Text] Buenos Aires, 28 Dec (TELAM) -- The Chamber of Deputies this afternoon approved the peace and friendship treaty with the Republic of Chile by a vote of 127-74. After the vote concluded, the people present in the Chamber of Deputies sang the national anthem.

BOMB DAMAGES LABOR PARTY HEADQUARTERS

PY281540 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2100 GMT 27 Dec 84

[Text] Buenos Aires, 27 Dec (NA) -- A medium size bomb has partially destroyed the headquarters of the Labor Party [PO] in Lomas de Zamora, breaking windows and damaging walls of nearby buildings. The PO labeled the bombing as a new attack against "the democratic labor movement, an organization that this year has suffered over 1,000 attacks which have not been resolved."

The explosion took place around 2330 local time [0230 GMT] last night without causing any casualties as party activities had concluded and there was virtually no business activity in the area. The windows and furniture of the PO headquarters that is located on 117 Benitez Passage, near one of the platforms of the railroad station, were completely destroyed. The bomb, which may have been introduced into the building through a broken window located on the passage, made a 20-centimeter hole on the floor.

The PO today released a communique pointing out that the attack "is part of several attacks against the democratic labor movement, an organization that this year has suffered over 1,000 attacks which have not been resolved." The communique adds that these attacks were "definitely carried out by the repressive apparatus that the constitutional government refuses to dismantle."

The communique says: "In the case of the PO, efforts are being made to obstruct the constant activity of the party which, along with mothers, relatives, labor, popular, and anti-imperialist movements is carrying out a defense of democratic freedom, and seeking justice and punishment of the people responsible for the genocide."

In conclusion the communique points out that "this is a call for mobilization in defense of unrestricted freedom of political organizations and for the dismantling of the repressive apparatus. Therefore, the first step is to eliminate the military jurisdication and to imprison the people responsible for the genocidal repression."

DEFENSE SECRETARY, ARMY OFFICIALS DISCUSS DEBTS

PY281735 Buenos Aires BUENOS AIRES HERALD in English 28 Dec 84 p 9

[Text] (NA) -- Defence Secretary Horacio Jaunarena met yesterday with Army Chief of Staff General Ricardo Pinanta and Army Logistics Commander General Vicente Belli to draft a plan to refinance the debts owed by the Army to civilian suppliers. Following their meeting, both Jaunarena and Pinanta said they had discussed army budget problems and ways of paying off their debts to suppliers, which unofficial estimates place at 12 billion (thousand million) Argentine pesos.

Meanwhile, the head of the government suppliers union, Daniel Arguello, said that "there has been no official response to our letters. Neither have we been informed about what they are discussing now, nor how they are going to pay what they owe us." Military sources yesterday reported there have been cases of insubordination recently as some non-commissioned officers have refused to perform duties, normally done by conscripts, who were sent home due to the lack of supplies.

MIGUEL, 20 JUSTICIALIST DELEGATES REPLACED

PY281335 Buenos Aires TELAM in Spanish 1053 GMT 28 Dec 84

[Excerpts] Buenos Aires, 28 Dec (TELAM) -- In a congress held last night, metropolitan delegates of the Justicialist Party decided to remove 21 national delegates for the federal capital, including Lorenzo Miguel, and replaced them with 21 other delegates. These delegates will be attending the Justicialist national congress to be held on 2 February in Tucuman.

The decision was made by 260 metropolitan delegates who met last night at the Rialto movie theater in this capital. It has been noted that the decision is valid because it was taken with the required quorum for this type of resolution.

The following leaders were appointed members of the executive board of this congress: Osvaldo Gonzalez Casares, Abel Zucari, Beatriz Gagliardi, Jose Martinez, Carlos Alvarez, Roberto Nieves, and Jorge Salvesky. The delegates to the self-convened congress held last night are members of the following internal Justicialist factions: pro-Antonio Cafiero, the former Convocatoria Peronista faction, and the Liberacion y Cabildo Abierto faction.

CORRECTION TO CNEA BUDGET DELAYS, NUCLEAR PROGRAM

The following correction pertains to the item headlined "CNEA Budget Delays Hamper Nuclear Program," published in the 27 December Latin America DAILY REPORT, page B 2, fourth paragraph, lines two and three:

...$17 billion investment, the Arroyito heavy water plant...(changing "Ftmoito" to "Arroyito")

ARMY COMMANDER 'REBELS' AFTER SITES ORDERS DISMISSAL

Troops Confined

PY291859 Madrid EFE in Spanish 1842 GMT 29 Dec 84

[Text] La Paz, 29 Dec (EFE) -- Bolivian Commander in Chief General Jose Olvis Arias today rebelled against President Hernan Siles Zuazo after the president ordered his replacement. Gen Olvis has ordered that the troops under his command be confined to barracks. He said that all Bolivian Army units support his continuation in the post of Army commander. Gen Olvis rebelled after Siles Zuazo released the new order of assignments in the Armed Forces in which Gen Olvis, whom the Bolivian Labor Federation has charged with involvement in coup attempts, is replaced as commander in chief.

Government Issues Communique

PY291942 La Paz Cadena Panamericana in Spanish 1857 GMT 29 Dec 84

["Text" of communique issued by the Bolivian Government on 29 December in La Paz at Government House, read by Information Minister Mario Rueda Pena -- live]

[Text] In the face of the military situation created by the actions of Army Commander in Chief General Jose Olvis Arias, the constitutional and democratic government deems it necessary to inform the nation that:

1. The Army commander in chief and some members of his staff have proclaimed that they are openly opposed to the decisions made by the president in connection with the replacement of the High Command personnel. This action constitutes disobedience of the president of the Republic, who is the captain general of the Armed Forces and upon whom the Constitution has bestowed specific powers.

2. This act of disobedience has not been supported by the Armed Forces, whose regular commanders have conveyed their resolute support of the president of the Republic, who has also received and continues to receive expressions of support from the main military units in La Paz, Cochabamba, Santa Cruz, and other garrisons.

3. As is set forth by the Constitution, the Armed Forces can make no decisions, they are subject to military discipline, and they must obey the orders issued by their captain general. Therefore, the democratic government will resolve this situation in keeping with these principles.

4. The democratic government warns that it will firmly defend the democratic process that the Bolivian people have built at the expense of so much sacrifice and so many efforts, and that it will guarantee the call for general elections in June 1985.

Olvis Comments on Communique

PY292022 La Paz Cadena Panamericana in Spanish 1921 GMT 29 Dec 84

[Telephone interview with General Jose Olvis Arias, commander in chief of the Bolivian Army, by Panamericana journalist Jaime Siles -- live]

[Excerpts] [Siles] Good afternoon, General Olvis. You have heard the communique read by the information minister. Would you like to make any comments on it?

[Gen Olvis] Well, Mr Siles of Panamericana, we are very surprised at the report prepared by Information Minister Mario Rueda Pena, although it is well known how he uses the press to convey his communiques. I emphatically declare that I have not rebelled against the president of the Republic. Mr Rueda Pena is not telling the truth at all. I respect the country's political Constitution, and I have always supported and will continue supporting the democratic process. I said the same thing to the president last night. It is not true that the President is getting support from the large units. On the contrary, the large units support the commander in chief of the Army. They want the principal authority of the force to be respected, and they want respect for the military code. This is why they support my position.

I also want to correct an untruthful statement made by Minister Rueda Pena. Well, although it is true that the Miraflores military headquarters is closed, I am receiving all my comrades who are arriving here, just as if I had made a trumpet call to them. They are all arriving at the general headquarters to show their support for my position.

Olvis Explains Motives

PY291956 Madrid EFE in Spanish 1911 GMT 29 Dec 84

[Text] La Paz, 29 Dec (EFE) -- General Jose Olvis Arias, commander in chief of the Bolivian Army, today headed a military rebellion against President Hernan Siles Zuazo, from whom he demands respect for military regulations. Olvis Arias has ordered all Army troops in La Paz and other parts of the country to remain in their barracks, in order to be ready for "future events," their commanders have said.

However, the general today told EFE that his movement is purely institutionalist and that "it does not seek an interruption of the democratic process." The removed general told the press that he has the support of all Army units in all districts of the country, and that they want him to remain in command of the Army. Olvis Arias explained that the reaction in the Army units took place after Siles Zuazo's decision removing him as commander in chief of the Army became known. He asserted that the president had informed him that he would appoint another general as commander in chief of the Army and that the military commanders consider this to be "against regulations," because Olvis Arias, who took over his command in October this year, should remain as Army commander for another 2 years.

Defense Minister Manuel Cardenas Mallo has said that the Constitution empowers the president of the Republic to make changes in the military leadership whenever he deems it appropriate.

Government sources have said that Olvis Aria's replacement has been caused by the charges leveled by the powerful Bolivian Labor Federation [COB], which has accused Olvis Arias of being the leader of a plot to overthrow Siles Zuazo and prevent the holding of elections in June 1985.

Reliable military sources today told EFE that Olvis Arias was discharged from the post of Army commander in chief because of personal differences with General Simon Sejas Tordoya, the Armed Forces commander in chief, who is trusted by the government. According to these sources, Sejas Tordoya may have told the president that it is necessary that a man identified with the government be installed as Army commander in chief. This has provoked Olvis Arias' reaction.

Opposition sectors consulted by EFE have said that the Army commander in chief has repeatedly told them that there is an excessive communist presence in the government of Siles Zuazo and that the communists want to destroy the Armed Forces.

Olvis Arias today told reporters that he "does not want to overthrow Siles Zuazo, but demands that he respect the military laws."

Interior Minister on Situation

PY292118 La Paz Cadena Panamericana in Spanish 1947 GMT 29 Dec 84

[Text] We will now speak with government representatives in order to learn their opinion about the situation that has developed within the Armed Forces. Our colleague Homero Velazquez will talk with Interior Minister Fedrico Alvarez Plata.

[Velazquez] Dr Alverez Plata, we would like to know the Interior Ministry's view of the general situation in the country.

[Alvarez Plata] Well, I have been in touch with practically all of the prefects' offices in all of the departments throughout the Republic this afternoon. I asked for information and reports on the situation prevailing in each city. All the prefects unanimously answered that total and complete tranquillity prevails in their cities.

[Velazquez] Dr Alvarez Plata, even though it is true that we should have asked this question of Defense Minister Manuel Cardenas Mallo, we would like to know your opinion, in your capacity as a high-ranking member of the Nationalist Revolutionary Movement of the Left, about the fact that General Olvis Arias (?has ordered the confinement to barracks of Army units in La Paz and other areas).

[Alvarez Plata] Well, I (?will answer) that I would like (?this case to be solved) by the defense minister or by the Armed Forces commander, because these problems fall within their jurisdiction.

[Velazquez] Mr Minister, I will now pass the phone over to my colleage Jaime Diaz.

[Diaz] It has been said that the generals have rebelled against President Siles Zuazo [words indistinct]. What is your opinion, in your capacity as interior minister, about the position of these commanders toward the democratic process?

[Alvarez Plata] I have just heard statements by Gen Olvis Arias and I think also by General Gironda. Well, they have said that this is not a military coup, but simply a movement in defense of military regulations. However, this problem falls within the jurisdiction of the Defense Ministry. Therefore, it is the defense minister who must report on what is happening within the Armed Forces.

[Diaz] Mr Minister, do you believe that the situation will [words indistinct] in the next few hours?

[Alvarez Plata] I believe it will. We [words indistinct] have always had confidence in the civic maturity and in the responsibility of all Bolivians, particularly those in the Armed Forces.

[Diaz] Mr Minister, what will happen if the president yields to the pressure being exerted by Gen Olvis Arias and other high-ranking officers and reconsiders his decision and confirms the Army commander in his post?

[Alvarez Plata] I cannot answer your question; you should ask the defense minister directly.

[Diaz] Mr Minister, is the current situation throughout the country normal? Does tranquillity prevail in all sectors?

[Alvarez Plata] This is what I just told your colleague. I have been in touch with all the [words indistinct] of the Republic, and all of them have reported that absolute tranquillity prevails.

[Diaz] Thank you very much, Mr Minister.

New Army, Navy Commanders

PY292107 La Paz Cadena Panamericana in Spanish 2015 GMT 29 Dec 84

[Report by journalist Jaime Siles from Government House -- live]

[Text] Thank you, listeners of Panamericana. President Hernan Siles Zuazo has named the new military chiefs as follows: Division General Raul Lopez Leyton will become, as of today, commander in chief of the Army. Admiral Jose Antonio Ona Costa will be the new commander in chief of the Navy. The swearing in ceremony took place just a few minutes ago here at Government House. President Siles swore in the new military commanders during a ceremony that took place here a few minutes ago in Government House. The names of the new military authorities were announced in a presidential decree with a single article. We will now listen to part of the swearing in ceremony that took place just a few minutes ago. [recorded passage indistinct] That was part of the ceremony held here at Government House during which President Siles swore in the new commanders in chief of the Bolivian Army and Navy, Division General Raul Lopez Leyton and Admiral Jose Antonio Ona Costa, respectively. Thus, the atmosphere of uncertainty that has prevailed here at Government House for about 5 hours today is practically over. This was a report from Panamericana.

Navy Commander Comments

PY292226 La Paz Cadena Panamericana in Spanish 2126 GMT 29 Dec 84

[Report by Panamericana journalist Cristina Corrales from Government House -- live]

[Text] Rear Admiral Jose Antonio Ona Costa, the new commander in chief of the Bolivian Navy, just left Government House. Upon leaving, he said that absolute normalcy prevails within his force, which he now commands. Ona said that the Navy totally supports the current process, and that it is operating normally today. However, journalists consulted the admiral about the latest events, and he gave the following replies:

[Begin recording] [passage indistinct]

[Corrales] Do you have any news about anything abnormal going on within the Navy?

[Ona] Everything is going on perfectly well and within normal limits. [passage indistinct] [end recording]

Those were comments by Admiral Ona Costa, the new Bolivian Navy commander. Meanwhile, two meetings are taking place right now at Government House. One is being held by the president with several of his ministers, including the defense minister, and some members of the Democratic and Popular Unity government. At the same time, there is another important meeting being held by some important Army members in some other hall here at Government House.

Defense Minister on Olvis Actions

PY292242 La Paz Cadena Panamericana in Spanish 2140 GMT 29 Dec 84

[Text] Here is our colleague Cristina Corrales at Government House.

[Begin recording] Defense Minister Manuel Cardenas Mallo has talked to local reporters and some foreign journalists. For approximately 8 minutes, the minister gave several explanations that we regard as essential for our country. His explanations dealt primarily with the reasons for the replacement of General Olvis Arias. He also referred to the situation within the Armed Forces throughout the nation. He said that the movement initiated by Olvis Arias involves only the General Staff and that it has had no effect in rural areas. However, he also said that since the Staff Command had unplugged its telephones, it is impossible to get in touch with the Miraflores area. The minister refused to say what action would be taken in order to solve the problem within the General Staff. We will now listen to the statements by the defense minister, from a recording that we could not transmit before due to technical problems. [recorded passage indistinct]

To summarize the defense minister's statements, we can say that, first, at this time no action will be taken in connection with the attitude [words indistinct]. Second, the situation within the Armed Forces in the interior of the country is absolutely normal and (?there is) no support of the Olvis Arias' movement there. The minister also (?pointed out) that an effort will be made to start a dialogue and that, with due respect for the institutions, Olvis Arias will be asked to change his position. The minister said that the possible discharge of this officer has not yet been considered, although his assignment will be changed because this has been decided by the president of the Republic, mainly because of the need to improve the work of Armed Forces. Meanwhile, we will continue to await the statement that the new Army commander will make in a short time. [end recording]

General Staff Communique 101-84

PY292311 La Paz Cadena Panamericana in Spanish 2215 GMT 29 Dec 84

[Communique No 101-84 issued by the Public Relations Department of the Army General Staff, read by unidentified Army spokesman -- live]

[Text] In the face of the attempt to act against democracy, against the expression of the people's will at the ballot boxes, against the unity within the institutions, and against the military laws and regulations, Army Commander in Chief General Jose Olvis Arias Chaves has ordered that his staff be declared in permanent session at the Miraflores Headquarters, waiting for His Excellency the President of the Republic to reconsider his decision, which seeks to replace Gen Olvis Arias as Army commander. The president's decision is supported by Major General Simon Sejas Tordoya. This unfortunate decision by the president is causing considerable uneasiness within the Army, as is reflected by the messages that are being received from all garrisons throughout the country, which have expressed their [word indistinct] support of the current commander in chief. Major General Hugo Girona also supports this attitude, because of his observance of discipline, personal honor, [words indistinct].

[Signed] Miraflores Headquarters, 30 December 1984

General Staff Communique 102-84

PY292359 La Paz Cadena Panamericana in Spanish 2205 GMT 29 Dec 84

[Communique No 102-84 issued by the Public Relations Department of the Army General Staff; read by unidentified Army spokesman -- live]

[Text] In view of this morning's developments, the Army General Command would like to report to the public the guidelines [words indistinct] General Jose Olvis Arias.

1. The position of the Army commander is of such importance to the life of the institution that it demands the continuity of the commander in that position in accordance with regulations [words indistinct].

2. The organic structure of the Army must be separated from (?sectorial) political interests and aimed only at military needs and procedures.

3. The political interference [words indistinct] in the Army undermines the function and operation of the Army.

4. The alleged disobedience [words indistinct] of the commander is only a natural reaction to the [word indistinct] and misinterpretation of the military laws and procedures and of the rights of the captain general of the Armed Forces.

5. The Armed Forces, especially the Army, maintain their firm determination to guarantee the continuity of the democratic process and the holding of the general elections called by the constitutional government. In view of the crisis that has emerged from the current situation, the people should remain calm. His Excellency, the president of the Republic, acting from his patriotic, democratic, and Christian feelings, must resolve this conflict, which was not created by the Army, by allowing the continuity of the democratic process to preserve the image and the prestige of the Army and the integrity of the nation.

[Signed] Miraflores Army Headquarters, 30 December 1984

General Staff Communique 103-84

PY292332 La Paz Cadena Panamericana in Spanish 2205 GMT 29 Dec 84

[Communique No 103-84 issued by the Public Relations Department of the Army General Staff; read by unidentified Army spokesman -- live]

[Text] The designation of Major General Raul Lopez Leyton as Army commander in chief is a desperate move by the groups that surround the president of the Republic and that exert pressure in keeping with their desires to (?attack) the Army in order to weaken it and break its internal unity.

Therefore, the designation of Gen Lopez Leyton will not be recognized because it disregards military hierarchy principles, which are clearly established in the military laws and regulations.

[Signed] Miraflores, 30 December 1984; Army Public Relations Office

Army Units Support Olvis

PY300122 La Paz Cadena Panamericana in Spanish 2358 GMT 29 Dec 84

[Messages received by the Army General Headquarters; read by chief of the Army Public Relations Department -- live]

[Text] Message sent by the 2d Army Division Command in Oruro to the Army General Headquarters. Secretary General Section No 104-84:

This command is surprised at the attitude taken by the commanders of the La Paz Garrison to pressures exerted on His Excellency the President of the Republic requesting the removal of the Army commander. This is not in accordance with military regulations and legal precepts contained in the personnel administration law and the laws of the Armed Forces. Therefore, the command of this large unit and the commanders of the small units, after reviewing the situation, want the appointment of General Jose Olvis Arias as commander of the Army respected in order to preserve the institutional unity and prestige of the Armed Forces. This is why it does not accept the appointment of another commander to replace him.

Message from the 2d Armored Batallion to the Army General Headquarters. Secretary General Section No 51-84:

The unit under my command is indignant over this regrettable situation. The armored batallion is on alert awaiting instructions.

Message sent by the 8th Army Division of Santa Cruz to the Army General Headquarters. Second Section No 244-84:

Keeping watch over the preservation of laws and regulations of our institutions and to prevent actions against their unity, we suggest that a note be submitted to the president with regard to the removal of the Army commander, pointing out that the trust conferred upon the Army commander by his appointment was never violated with attitudes contrary to the institutional order that we all promised to respect in a disciplined manner. The officers who are carrying out intrigues because of their easy access to the president have created this situation. Therefore, they must immediately be disciplined. This problem must be solved immediately before elements outside the institution try to use the Armed Forces as an instrument or pretext to worsen the current national situation. It should be recalled that so far the armed institution has been an example to the people for its behavior and respect. Therefore, we must prevent actions that would undermine that image.

Gironda Supports Olvis

PY300306 La Paz Cadena Panamericana in Spanish 0000 GMT 30 Dec 84

[Excerpts] During an impromptu press conference, Information Minister Mario Rueda Pena told reporters that General Hugo Flores Gironda's wife called him up a few minutes ago to tell him that her husband was being kept at the General Staff Headquarters against his will, that is, that he was apparently under arrest. To deny this report, General Olvis Arias called Panamericana and let our reporter talk with Gen Flores Gironda.

Here we have the recorded comments of Gen Flores Gironda, who has reportedly rejected his designation as Army commander [as heard] to support Gen Olvis Arias, who is demanding that military regulations be respected.

[Begin Flores Gironda recording] My position is clear, categorical, and above all [words indistinct]. My position in support of the Army commander in chief is based mainly on the fact that the replacement [words indistinct] can bring serious consequences for the unity and integrity of the Army. Let us assume that Gen Olvis Arias is replaced. In 1 or 2 months, the new commander will be replaced. Thus, this situation will affect the unity of the Army and the prestige of the commanders. The Army would thus be run by whim. [end recording]

Gen Hugo Flores Gironda also pointed out that they have already received the support of several units, although he stressed that tranquillity prevails and that there have been no movements of troops.

Government House spokesmen have been asked about the status of the Ingavi Regiment, which is stationed at the General Staff Headquarters. They replied that the Ingavi Regiment has not joined the uprising. However, General Staff sources have reported that the regiment also supports Gen Olvis Arias.

COB Issues Communique

PY300331 La Paz Cadena Panamericana in Spanish 0000 GMT 30 Dec 84

[Text] In the absence of Juan Lechin Oquendo, the Bolivian Labor Federation [COB] has issued a communique expressing fears that the current situation may give rise to a movement that will (?interrupt) the democratic process. Yesterday, COB Secretary Lechin Oquendo was admitted to a Santa Cruz hospital to receive treatment for a stomach ailment. COB Permanent Secretary Noel Vazquez read the following statement:

[Begin recording] In the face of the latest events and reports on the crisis within the Army leadership, reports which are known to the public, the COB hereby states the following:

1. The nation and the workers are enduring the catastrophic effects of accelerated inflation and of a high dollar exchange rate, which have invalidated the latest salary hikes, which have weakened salaries, and which have provoked a crisis in the productive sector. On top of this, the last military events have brought all their negative consequences.

2. The assignments of the military commanders ordered by the president of the Republic have provoked a state of [word indistinct] and of rebellion among some military commanders. We deeply regret that this situation should again jeopardize the existing atmosphere of freedom and guarantees.

3. General Olvis Arias has said that his attitude has nothing to do with coup attempts and that it represents the defense of Army regulations. Only facts shall tell us whether this is true. However, the situation created at the Miraflores headquarters is a threat to the democratic process. This situation is even more serious because of the people's discontent over the crisis the country is experiencing. [end recording]

Olvis Urges Congress Decision

PY300408 Paris AFP in Spanish 0351 GMT 30 Dec 84

[Text] La Paz, 29 Dec (AFP) -- General Jose Olvis Arias, who was today removed as Army commander, has told the press that he is willing to hand over his post to the National Congress so that the congressmen can decide whether Siles is right to have removed him or whether he is right for having resisted the decision.

He also criticized the newly appointed Army chief of staff, General Mario Vargas Salinas, whom he accused of unleashing the current military crisis out of "personal ambitions." Olvis Arias has demanded the immediate removal of General Simon Sejas Tordoya, the commander of the Armed Forces, because he does not have the support of the military institutions. He reiterated once more that his action is not a coup, but on the contrary, he will guarantee that Siles Zuazo concludes his presidential term on 6 August 1985 after the general elections scheduled for 16 June 1985.

General Raul Lopez Leyton, the new Army commander appointed by Siles Zuazo, has told the press that the main military units of the country recognize his authority. He emphasized that he has the support of the commander of the 8th Army Division headquartered in Santa Cruz (1,000 km east of La Paz) and led by General Gary Prado Salmon, who has great prestige within the Army. Lopez Leyton pointed out that next Monday he will go to the offices of the Army Headquarters and that he will oust Olvis by force if necessary.

It has been learned from military sources that two officers from the "hardline" sector represented by former dictator General Luis Garcia Meza (1980-1981) are in Santa Cruz trying to get support for the rebellion headed by Olvis Arias.

Likewise, observers feel that the military situation is tending to stabilize to the benefit of Siles Zuazo and the newly appointed Army commander in chief, Lopez Leyton. However, not all of the Army divisions throughout the nation have voiced their stands. Thus, it is very difficult to draw a conclusion on the balance of the forces between the military sectors in conflict. In addition, the stands that the social and political sectors in the country, represented by the Congress, the Bolivian Labor Federation, the Campesino Workers Union, and the Private Businessmen's Confederation, will adopt must also be taken into account.

Olvis Says Headquarters Surrounded

PY301333 La Paz Cadena Panamericana in Spanish 1223 GMT 30 Dec 84

[Text] It is now approximately 0820 and we have the following information here at Radio Panamericana:

The situation has been fairly irregular over the past few hours throughout the country due to the position that has been adopted by General Olvis Arias, who has demanded that President Siles Zuazo revise the order he gave for Olvis' removal.

The uprising has continued during the past few hours and the situation at staff headquarters (?is not very clear). Therefore we are now in contact with Gen Olvis Arias Chaves, who will talk with Radio Panamericana to give us details about certain military movements that have occurred at staff headquarters over the past few hours. Here is reporter Cristina Corrales.

[Corrales] Good morning, Gen Olvis Arias. We would like to ask you about the current situation at staff headquarters.

[Olvis] Very well, Miss Corrales. It is my pleasure to say hello to you and the country, my comrades in arms of the Army. I want to publicly denounce the unacceptable decision adopted by General Sejas early this morning when he entered this headquarters and took over the Ingavi Regiment.

He has also surrounded my command post taking some prisoners, some of the comrades in arms who were here with me. He has also taken over the Army's radio, and at this moment a confrontation among comrades is about to take place. This is a very delicate situation. We are not forcing the confrontation. We will not be to blame for what may happen here within the next few minutes.

I publicly denounce the position that General Sejas has adopted against my authority and against the group of officers that are in my company here at my staff headquarters.

[Corrales] In view of the events, General, are you going to change your attitude or are you going to continue?

[Olvis] I will remain firm in my attitude, but I do want to point out and stress that no steps have been taken to initiate a dialogue, to enter into a dialogue to seek a solution.

I want to repeat, I wish to repeat to my Bolivian comrades throughout the country, that the overall situation has become critical, extremely critical and delicate. We have been surrounded here in staff headquarters and we are on the verge of a confrontation.

I call on my Army comrades to mediate, I ask them to denounce and take note of what I have just said. We are, as I have just said, on the verge of a confrontation here in staff headquarters. My command has practically been surrounded and I am in the company of a group of my staff officers.

[Corrales] Anyway General, I understand that during the past few hours you have been in contact with Congress asking it to take action regarding this conflict.

[Olvis] It is evident, Miss Corrales. I submitted a letter early this morning addressed to the interim president of Congress in which I asked Congress to seek the best solution, within the framework of the law, on my being fired as commander in chief of Army.

[Corrales] We are going to closely follow the chain of events regarding the charge you have just made and thank you very much for the information you have given us.

Here at Radio Panamericana we continue with our reporting. While the country woke up in an atmosphere of calm in the interior of the country, according to the reports that we have received during the past few hours, here in La Paz we are experiencing tension in the military sector due to the position adopted by Gen Olvis Arias. There are conflicting positions within the Armed Forces regarding the replacement of Olvis Arias and the position he adopted yesterday, 29 December, and the swearing in of the new commander in chief of the Army, Raul Lopez Leyton.

In view of this situation, today appears to have special characteristics when compared with other Sundays. We are going to continue seeking information and we are trying to confirm the information that Gen Olvis Arias has just given us. We promise that within the next few minutes we will try and interview the defense minister, or someone in that sector, who can confirm these reports and clarify the situation for the country.

Defense Minister Interviewed

PY301345 La Paz Cadena Panamericana in Spanish 1245 GMT 30 Dec 84

[By reporter Cristina Corrales]

[Text] The situation has changed since midnight at the Army General Staff building because General Simon Sejas Tordoya, commander in chief of the Armed Forces, and General Raul Lopez Leyton, the new Army commander, have made some moves to bring the situation at the General Staff building under control. According to official information from high-placed Army sources, the Ingavi Regiment is fully obeying instructions from the president of the Republic to accept the appointment of Raul Lopez Leyton as the new Army commander. In the face of the position taken by the Ingavi Regiment in support of the government, the situation has changed at the General Staff.

Gen Sejas Tordoya and Gen Lopez Leyton are already at the General Staff building taking charge of the situation. They have managed to isolate General Jose Olvias Arias in his office -- the office of the Army commander. They have also cut communications and some other services. They have isolated Olvis Arias to get him to change his attitude so that the situation may return to normal at the General Staff. This situation has aroused the people and has caused uneasiness in the country.

We just received a telephone call from Gen Olvis Arias who told us that a confrontation might take place at the Army General Staff. We want the people to remain calm. Thus, we are going to interview the defense minister.

We now have Defense Minister Manuel Cardenas Mallo on the line.

Good Morning, Minister. We would like to know whether there is a real possibility of a confrontation at the General Staff.

[Cardenas Mallo] Well, I said yesterday that there is absolutely no intention of using force. Every persuasive means is being used, as has been the rule of the democratic government of Hernan Siles Zuazo. In this respect, Gen Sejas is making every effort to avert a confrontation, a development that might lead the country into a very difficult situation.

The current situation is that Gen Olvis is now isolated in his office and Gen Sejas trusts that he will change his position. It is the government's intention that there be no confrontation within the Armed Forces. I can also state, according to information I have received from Gen Sejas Tordoya, that virtually all Army divisions have pledged to obey the presidential decision, that is, they recognize Gen Lopez Leyton as Army commander.

Furthermore, the security unit is already receiving instructions from Gen Lopez Leyton and from Gen Sejas, who have had the situation under control since midnight.

[Corrales] Do you believe that the situation is virtually under control?

[Cardenas Mallo] I cannot say, because as you know there are many variables. But I believe that we will know within a few hours or perhaps a few minutes. It all depends on the attitude that Gen Olvis Arias will adopt and the answers he will give during the negotiations that Gen Sejas is heading in his capacity as Armed Forces commander. He is responsible for handling this situation.

[Corrales] Then the General Staff will continue to be on alert until the Olvis Arias affair is over?

[Cardenas Mallo] Yes, so as to avoid any distortion of information, Gen Sejas and Gen Lopez Layton have blocked access of unauthorized personnel to the General Staff building; but I reassert that there is no intention of using violence.

[Corrales] What information do you have about the activities of military garrisons in the interior of the country.

[Cardenas Mallo] I have been informed about this through the Armed Forces commander. I reassert that his report states that virtually all divisions are complying with the orders issued by the Armed Forces commander.

[Corrales] Who are the officers reportedly supporting Olvis Arias' movement?

[Cardenas Mallo] I regret that I cannot answer this. We are very cautious in all this and we want to act calmly. Therefore, for security reasons it would be inappropriate to issue any statements in this regard. Moreover, we do not want to speculate about the persons who may be involved. At the proper time, possibly at noon, the Armed Forces Command will issue a communique to report on everything that happened yesterday and today.

[Corrales] What will be the future of Gen Olvis Arias? Will he go into retirement? What will happen to him?

[Cardenas Mallo] I cannot speculate. It all depends on the measures that will be adopted by the Armed Forces Command. I am not familiar with all the details involved. I cannot speculate on this and I decline to say whether he will be punished or what will happen to him. We are acting with caution. We are trying to resolve the situation through a dialogue to achieve an understanding and avoid social disruption.

[Corrales] We thank Defense Minister Manuel Cardenas Mallo for this information. We now have a clear picture of the situation. He has confirmed our report that Gen Sejas and Gen Lopez Leyton are at the General Staff building. The defense minister asserts that there will be no confrontations and that the situation may be under control within a couple of hours. Radio Panamericana will continue to report any new developments.

Olvis Blames Sejas

PY301414 Buenos Aires TELAM in Spanish 1303 GMT 30 Dec 84

[Excerpts] La Paz, 30 Dec (TELAM-LATIN REUTER) -- Bolivian General Jose Olvis Arias this morning remained steadfast in his decision not to accept President Hernan Siles Zuazo's decision to replace him as Army commander in chief, but he denied that he was involved in a coup. In a telephone conversation with REUTER from his redoubt in the building that houses the Army's General Staff, Olvis Arias stated that his being replaced was presumably due to the intrigues of the chief of the Armed Forces, General Sinon Tordoya, who Olvis said, "acted against the Army due to military rivalries."

He added: I continue to give orders within the Army and that is why I have ordered a total confinement to barracks of all troops throughout the country.

"This order is being obeyed and I have received messages of support from the military garrisons based in Santa Cruz, Oruro, Tupiza, Robore, Trinidad, and Camiri, including an armored regiment," he said.

Olvis Arias stressed: "I respect the Constitution and the democratic process and it is absolutely false that I want a coup."

Situation at General Staff

PY301421 La Paz Cadena Panamericana in Spanish at 1343 GMT 30 Dec 84

[Report by reporters Cristian Corrales and Jaime Siles from mobile unit at Miraflores General Staff Headquarters in La Paz]

[Excerpts] Personnel from the Miraflores headquarters are now preventing the entry of civilians and even ranking officers. There seems to be strict orders in this respect. Yet the situation is completely calm and there are no major problems in this area.

The steps to isolate General Jose Olvis Arias began at 0500 this morning. Olvis is now in his office without electricity, water, or telephone service.

It has also been reported that Colonel Samuel Gallardo Lozada, retired, president of the Chamber of Deputies, came to the General Staff building early this morning to pick up a letter from Olvis Arias, who requested that the Congress consider his petition.

We have learned from official sources that the following officers are with Olvis Arias in his office, which we repeat has been isolated: General Mario Oxa Bustos, General Lorgio Justiniano, and possibly Colonel Eusebio Gironda Flores, who was a strong supporter of Olvis Arias' position yesterday.

High-ranking officers continue to arrive at the general staff building. We can now see the arrival of the defense minister's car which will possibly pick him up at the General Staff building.

Olvis Leaves Office

PY301548 La Paz Cadena Panamericana in Spanish 1401 GMT 30 Dec 84

[Report from the Miraflores General Staff Headquarters in La Paz]

[Excerpt] Ladies and gentlemen, directly from the Miraflores headquarters we are relaying a report through the mobile unit. General Mario Oxa Bustos is at this moment speaking with journalists, and we will try and let you hear what he is saying to the national media.

[Oxa Bustos] No, I would say that in Santa Cruz we have returned democracy to this [words indistinct] with Generals Anez and Natusch.

[Question indistinct]

[Oxa Bustos] It was not a meeting between the two of them. It was a very positive meeting between General Lopez and the staff of General Olvis, where calm and friendship reigned. Special comradeship exists among the members of the Armed Forces.

[Question indistinct]

[Oxa Bustos] We believe that Gen Olvis Arias has not committed any type of outrage. Gen Olvis Arias has been loyal to his institution and this is demonstrated by declarations from the interior of the country. Thus, we believe that this conflict has been overcome.

[Question indistinct]

[Oxa Bustos] My future, and that of General Olvis Arias? He still has a future because he is an intellectual, he is capable, he is young, and he still has approximately (?3) years left in his career. Therefore, no one can foresee [words indistinct].

[Reporter] These were the statements made by General Oxa Bustos on leaving Miraflores headquarters, where we are reporting on events for Panamericana's audience.

Let us ask the general another question. General Oxa: Is Gen Olvis Arias still in the Miraflores headquarters?

[Oxa Bustos] No, he has just gone home.

We repeat: Approximately 5 minutes ago Commander in Chief of the Armed Forces General Simon Sejas Tordoya spoke with Panamericana to announce through Panamericana, the national media and the journalists following this situation, that the problem has been fully overcome. This has been confirmed by another military chief, General Oxa Bustos.

In sum, Gen Jose Olvis Arias, putting the unity of the Armed Forces before everything else, has left his office and gone home.

Sejas Says Crisis Resolved

PY301533 La Paz Cadena Panamericana in Spanish 1458 GMT 30 Dec 84

[Text] We have an exclusive interview with Armed Forces Commander Simon Sejas Tordoya by (Omar Velazquez):

[(Velazquez)] We are now with Armed Forces Commander Simon Sejas Tordoya.

General, what is your information for the "Always on Sunday" program broadcast by Cadena Panamericana.

[Sejas Tordoya] To inform the public I wish to report that the problem at the Army Central Command is over. At this time, General Olvis has left [Army headquarters] to obey the decision made by the constitutional president of the Republic in his capacity as captain general of the Armed Forces. Complete calm prevails in all military units and institutions.

[(Velazquez)] Sir, how was this crisis resolved and what is the present situation of General Olvis?

[Sejas Tordoya] I must note that Gen Olvis Arias has complied with presidential orders in a disciplined manner. His future will be discussed by the appropriate military officials.

[(Velazquez)] During an interview with Cadena Panamericana early this morning, General Olvis Arias said that he would firmly uphold his position and that he was supported by several other officers. What is the situation of the other officers?

[Sejas Tordoya] All those who were with him also left. But they were a small group. At this time, all those who were with him have left. They have left the Army Command headquarters.

[(Velazquez)] Does this mean that only those units supporting General Raul Lopez Leyton are now at army headquarters?

[Sejas Tordoya] At this time, General Raul Lopez Leyton has taken charge as Army commander.

[(Velazquez)] Are all military units throughout the country still on a state of alert?

[Sejas Tordoya] No. We have lifted the state of alert in all [words indinstinct] units throughout the country.

[(Velazquez)] What is the present situation in the interior of the country?

[Sejas Tordoya] I reassert that the situation is completely normal in all military units throughout the country, not only in army units but in other branches of the armed forces. [passage indistinct]

This has been an interview with Gen Sejas Tordoya. The military crisis has been resolved.

Further Sejas Remarks

PY301625 La Paz Cadena Panamericana in Spanish 1511 GMT 30 Dec 84

[Statement to press by General Simon Sejas Tordoya, commander in chief of the Bolivian Armed Forces, at Miraflores General Staff Building in La Paz -- live]

[Text] Messrs newsmen: By order of the constitutional president, who is the captain general of the Armed Forces, and according to the exclusive powers conferred upon him by the Constitution, part of the members of the military high command were removed from their positions, namely Vice Admiral Edwin Vargas, commander of the Bolivian Navy, and General Jose Olvis Arias, commander of the Army. Unfortunately, this order was not obeyed by the Army commander who, with a small group of officers, took his stand in his office at the Army General Staff. With prudence and calmness, with which we have managed not only the activities of the Armed Forces but have also demonstrated to the Bolivian people our sense of responsibility by respecting the Constitution, we sought through dialogue to persuade Gen Olvis to obey the president's order. Unfortunately, apparently believing that he could count on support from large units, he resisted until about 1100 this morning.

The large units [words indistinct] have fully obeyed the orders given by the captain general of the Armed Forces, who appointed Division General Raul Lopez Leyton as the new Army commander. In view of this situation, Gen Olvis changed his behavior regarding the president's order and left the General Staff building at about 1100 this morning.

The new Army commander has now taken over his post. I should repeat that the situation is normal in large and small units, institutes, and detachments, not only in the Army but also in the Bolivian Air Force and Navy. The (?former) commander, Jose Olvis Arias, had given an order placing the large Army units on a state of emergency. For the tranquillity of the Bolivian people, I say that this order has been canceled, which means that there is no confinement to barracks of any unit of the Armed Forces.

Lopez Leyton Press Conference

PY301737 La Paz Cadena Panamericana in Spanish 1529 GMT 30 Dec 84

[Press conference held by General Raul Lopez Leyton, new Army commander, at Miraflores Army General Staff headquarters in La Paz -- live]

[Text] [Reporter Jaime Siles] Sir, what can you tell the journalists accredited to this headquarters?

[Lopez] I believe that the commander in chief of the Armed Forces already gave you details of all the events up to the end of the crisis.

[Reporter] However, General, there are comments that when you accepted your new appointment [words indistinct] you dropped in the military hierarchy. What is your opinion?

[Lopez] Yes, indeed the position of commander of the Armed Forces is a higher position than that of the Army. However, I believe that the position of Army commander has greater responsibility.

[Reporter] General, what will be the situation of General Olvis Arias?

[Lopez] I believe that we have to study this very carefully. We have given complete guarantees.

[Reporter] Who is going to decide on the future of General Olvis Arias and on his situation within the Armed Forces?

[Lopez] I believe that we are going to discuss this at the highest level, with the high command.

[Reporter] Is it true that there was an order for the arrest of Gen Olvis Arias?

[Lopez] At no time was that order given.

[Question indistinct]

[Lopez] I believe that a dialogue is always positive. Many times a dialogue can help in recognizing mistakes. During the conversation I held with Gen Olvis, he explained to me his reasons for taking this attitude.

[Question indistinct]

[Lopez] Of course, he said that some military regulations were violated because he was removed after only a short time as Army commander.

[Reporter] Another question, General: There was talk that General Olvis Arias was receiving the support of units throughout the country. Is there any truth in this?

[Lopez] The reports I received since yesterday up to now indicate that there is complete tranquility in the garrisons. I believe that many journalists were able to verify this. I am practically better informed through the press. I also believe that there has been a great deal of speculation. The truth is that there is absolute tranquillity in all of the garrisons throughout the country.

[Jaime Siles] Within that framework, General, despite the problem in the Army command, is there unity in the Armed Forces?

[Lopez] Yes, there is unity within the Armed Forces [words indistinct]. Only a very small group supported Gen Olvis.

[Question indistinct]

[Lopez] I feel that you answered the question yourself. The general posting order is now under study in the (?Armed Forces) command.

[Question indistinct]

[Lopez] You should ask that question of the Armed Forces commander. I cannot say when, but it will probably be in early January.

[Reporter] General, can you guarantee normal activities within the Army until the holding of general elections in 1985?

[Lopez] Absolutely.

[Reporter] What is the situation of the commander of the Ingavi Regiment [words indistinct] his support for Gen Olvis?

[Lopez] I do not know where you got the information that he was supporting Gen Olvis.

[Question indistinct]

[Lopez] No, the Ingavi Regiment is stationed here in the Miraflores Army headquarters. The fact that it is stationed here does not mean that it supported Gen Olvis. I believe that the commander of the Ingavi Regiment and its officers are real professionals and have acted as such.

Siles Visits Army Headquarters

PY302234 Paris AFP in Spanish 2200 GMT 30 Dec 84

[Excerpts] La Paz, 30 Dec (AFP) -- At noon today, Bolivian President Hernan Siles Zuazo visited the facilities of the Miraflores Army General headquarters which a few hours earlier had been under the control of General Jose Olvis Arias and which were later handed over to the new Army commander, General Raul Lopez Leyton.

The president praised the joint action of the military chiefs loyal to the democratic process and institutional regulations of the Armed Forces who prevented the ousted Army commander from continuing his insubordination.

Siles said that the process of democratization in the country is secured with chiefs and officers like you (referring to the commanders of the units of La Paz, the capital of the country, and General Simon Sejas, commander of the Armed Forces, and Raul Lopez Leyton).

Oruro Troops on Alert

PY311307 La Paz Cadena Panamericana in Spanish 1130 GMT 31 Dec 84

[Report from Oruro]

[Excerpt] All activities are developing normally here. Today most public and private offices started work at 0700 and will continue until 1430. The atmosphere is normal after the tense situation experienced during the past few hours as a result of the incident within the Armed Forces of which the country was informed by Radio Panamericana.

In Oruro, although we were unable to interview the prefect, it was explained that a completely normal situation prevails. The only interview we were able to obtain was one with the commander of the 2d Army Division, General Reynaldo Vaszqez Semerteguin, who said thst it is an event that only concerns the Armed Forces and should be resolved within the Armed Forces. Military activities have developed normally and no irregularities were reported.

The Oruro Department police forces have been confined to barrabks, and it was said the 2nd Army Division and all subordinate units have been placed on a state of emergency.

FOREIGN MINISTER RELEASES LETTER OF RESIGNATION

PY281830 Paris AFP in Spanish 1729 GMT 28 Dec 84

[Excerpt] La Paz, 28 Dec (AFP) -- Foreign Minister Gustavo Fernandez Saavedra has made public the letter in which he tenders his resignation from that high-ranking post which he has occupied since April 1984. He has resigned because President Hernan Siles Zuazo plans to reorganize his cabinet.

PINOCHET DISCUSSES TERRORISM WITH DIPLOMATS

PY282327 Santiago Domestic Service in Spanish 2200 GMT 28 Dec 84

[Text] The head of state has emphasized that the government will make every effort to strengthen peace. At the same time, he asked for concrete measures on the part of the international community to effectively eliminate terrorism. He made these comments during a ceremony held to greet members of the diplomatic corps and their spouses.

Msgr Angelo Sodano, the eldest member of the diplomatic corps and apostolic nuncio, said a few words on behalf of the heads of mission and representatives of international agencies.

Afterward, the chief executive received and returned the greetings conveyed to him by the members of the government junta, ministers, generals, and admirals. In his greetings to the ministers, the chief executive stated that, in view of the violence unleashed by insane minds, we were compelled to enforce severe measures to prevent something we continue lamenting -- the sacrifice of the innocent people who fall prey to terrorism, which is encouraged and backed by irresponsible and ambitious minds.

INTERIOR MINISTER EXAMINES INTERNAL SITUATION

PY282135 Madrid EFE in Spanish 1710 GMT 28 Dec 84

[Text] Santiago, 28 Dec (EFE) -- Interior Minister Sergio Onofre Jarpa today said that for a long time our situation has not been as sound as it is now. He was referring to comments that the country is going through a crisis.

Speaking with a group of reporters, Jarpa said that the Chilean situation is stable, that public order is also stable, and that the country is working, producing, and repaying its debts under a government that is striving to implement an absolutely extraordinary social development plan.

According to Jarpa, Chileans have united behind the targets of socioeconomic and cultural development and progress. He added that those who are striving to promote a crisis and a situation of chaos and anarchy in which they can attain their own goals of political domination have refused to recognize this fact. He said that the Chilean people are quite different from those political leaderships and from those groups of cassandras who have centralized their action in Santiago and who are not aware of the workers' situation.

Jarpa asked that the democratic opposition adopt a position regarding the subversive and terrorist actions of international communism.

Minister Jarpa criticized the cassandras who are predicting an increasingly difficult situation, and remarked that hundreds of foreign correspondents have come to Chile not as tourists but to watch the fall of the government. This is part of an international campaign orchestrated against our country and also part of an internal campaign launched by those who want to regain power at any price.

In the economic area, the minister said that the negotiations on the private sector's debt were an achievement of 1984, taking into account the chaos and financial crisis caused by the international economic situation, which had very serious repercussions in Chile. Jarpa added that the government introduced a financial innovation in the negotiations on the private sector's debt, and that this innovation is an important contribution to the Latin American experience.

Jarpa predicted that 1985 will be a year of progress, consolidation, and strengthening of the economy. We will move to a much safer ground and this government will move forward under the Constitution and in a democratic manner, but it will be no means and on no ground facilitate the actions of Soviet communism and its allies, he said.

MSGR FRESNO ON CHURCH-GOVERNMENT RELATIONS

PY310052 Buenos Aires TELAM in Spanish 2058 GMT 30 Dec 84

[Text] Santiago, 30 Dec (TELAM) -- Msgr Juan Francisco Fresno, the archbishop of Santiago and primate of Chile, has pleaded for an early end to the state of siege in Chile and recognized that relations between the church and the government are going through difficult times.

Fresno pointed out that the state of siege imposed by the regime of General Augusto Pinochet was the result of an exceptional situation and it seems to me that it should not be enforced too long. It is understandable that it could be necessary at times, but living under a state of siege is not logical.

The archbishop, who is believed to be favorably inclined toward the military government, said church-state relations are tense. He emphasized, however, that "I believe there is a desire for understanding between the two sides." "There has been an impasse. We have gone through difficult times, but I hope that just as I respect everyone, the church will also be respected," said the archbishop, who also pointed out that "we have to see that each respects the other in relation to rights and duties."

The Santiago archbishop added that the government should respect the work the church is carrying out in support of the poor, the helpless, and the people who have been banished. He said that he does not believe that all the things the church is doing through the Vicariate of Solidarity are political acts. However, Msgr Fresno admitted that the Chilean Catholic Church has in some way intervened in politics.

The archbishop said that he hopes the country will achieve full democracy and that "it seems to me that (democratic values) are better safeguarded by a representative government in which the people know their rights, they are allowed to exercise them, and these rights are fully recognized."

Regarding the continued calls for national reconciliation made by Chilean Catholic bishops to various sectors during 1984, Fresno said that there was some response, but unfortunately it ended in nothing just as fruit that does not ripen. The archbishop said that instead of gestures of rapproachement and understanding, there have been hard, difficult, and very painful confrontations.

SANTIAGO'S CURFEW LIFTED FOR NEW YEAR'S EVE

PY310017 Paris AFP in Spanish 2324 GMT 30 Dec 84

[Text] Santiago, 30 Dec (AFP) -- An official communique today reported that military officials have lifted the curfew in Santiago on the night of New Year's Eve.

The prohibition to circulate at night on the streets of Santiago from 0100 to 0500 local time has been in force since 6 November 1984, when the government of General Augusto Pinochet imposed the state of siege to face the wave of violence and attacks. [Words indistinct] in Santiago on the night of 31 December and 1 January 1985.

POLICE OFFICIAL REPORTS NUMBER OF EXILES AS 4,609

PY301657 Madrid EFE in Spanish 1708 GMT 29 Dec 84

[Text] Santiago, 29 Dec (EFE) -- According to General Fernando Paredes, director of the Investigative Police, the number of Chileans prohibited from returning to their country is 4,609. Gen Paredes said that this is the exact number and that any other figure is mere speculation.

During a press conference, the police director added that there has been talk of 100,000 and even 1,000,000 exiles who have been barred from returning to Chile by order of General Augusto Pinochet, who has held power since 1973.

MIR MEMBERS INDICTED FOR VARIOUS ATTACKS

PY270225 Madrid EFE in Spanish 0009 GMT 27 Dec 84

[Text] Santiago, 26 Dec (EFE) -- Military Prosecutor Cristian Plass has asked for a 40-year prison term for Carlos Garcia Herrera, member of the Movement of the Revolutionary Left [MIR], and for 28 years imprisonment for his accomplice Reveco Soto. The two members of the MIR, known by their political names of Ramon and Joaquin respectively, are charged with having participated in the MIR combat group which on 3 May 1980 attacked a district headquarters of the National Intelligence Center (CNI) with machine-gun fire, grenades, and incendiary bombs.

According to the military advocate, other members of the group, known only by their military names of Jose, Agustin, Marcos, Clix, and Carmen, are still at large. Another member of the group, Ernesto (Zuniga) Vergara, known as Manuel, was killed in a confrontation at a later date, with agents of the military government.

Carlos Garcia Herrera is also facing a request for the death penalty for his alleged participation in the attack where Colonel Roger Vergara, director of the Army's Intelligence School, was killed on 15 July 1980.

COMMISSION ON INTEGRATION WITH ARGENTINA FORMED

PY301944 Madrid EFE in Spanish 1552 GMT 30 Dec 84

[Text] Santiago, 30 Dec (EFE) -- Chilean Interior Minister Sergio Onofre Jarpa today announced the formation of a special commission to implement integration policies with Argentina. The commission is headed by Foreign Minister Jaime del Valle and will conduct studies to update all information related to integration with Argentina.

Minister Jarpa indicated that the Chilean Government wants to develop joint actions for opening up new markets in the Pacific, for agreeing on similar viewpoints in international meetings, and for developing joint policies in the Antarctic.

Jarpa said that Chile also wants to carry out joint cultural development and contracts on several matters that are important for integration with Argentina.

PERCOVICH TO REMAIN AS FOREIGN MINISTER

PY261241 Lima Radio del Pacifico in Spanish 1200 GMT 26 Dec 84

[Text] The Peruvian cabinet will be reorganized this week. It was learned yesterday from Popular Action Party sources that Luis Percovich Roca will retain his post as foreign minister. Thus, an earlier report that Percovich might replace Jose Benavides Munoz as the new economy minister has been denied. [passage indistinct]

Two Ministers Sworn In

PY291620 Madrid EFE in Spanish 1554 GMT 29 Dec 84

[Text] Lima, 29 Dec (EFE) -- Peruvian President Fernando Belaunde today administered the oath of office to the new economy and justice ministers and the new head of the National Social Communications System, Guillermo Garrido Lecca, Alberto Musso, and Arturo Arrarte, respectively. The ceremony was held in the Golden Hall of Government Palace in the presence of all the cabinet.

The president thanked outgoing Economy and Justice Ministers Jose Benavides Nunoz and Max Arias Schreiber for their cooperation. The communications system was headed by Miguel Angel Alva Orlandini since Belaunde took over power on 28 July 1980.

ARMED FORCES TO IMPROVE LOGISTICAL SUPPORT

PY272322 Paris AFP in Spanish 1448 GMT 27 Dec 84

[Text] Lima, 27 Dec (AFP) -- The general budget law sets forth that the Peruvian Armed Forces will improve their logistical support organization with a $40-million investment, 50 percent of which will be provided by Argentina.

According to the budget law, the state will provide $20 million to the Peruvian military industries (of the Army), to the Navy's industrial services, and to the Peruvian aeronautical industry (of the Air Force), to create a company that will manufacture transportation and military equipment. For this purpose, the new company will buy the car manufacturing plant owned by Moraveco S.A., one of Lima's largest metallurgical-mechanical groups, which is jointly owned by the state and private parties. The new company will set up a military equipment manufacturing unit in this plant.

Previously owned by an active Israeli businessman, Moraveco S.A., which covers an area of 160,000 sq meters with its 11 plants, was once the Andean countries' largest complex of its kind. However, being unable to meet all its obligations because of the economic crisis, it had to seek partnership with the state.

In addition, the Aeronautics Ministry has been authorized to contract a debt of $20 million to improve its logistical support complex at Collique, Lima, to meet the nation's defense needs. The funds will be provided under the credit agreement agreed upon by the Argentine and Peruvian state banks.

To Produce War Materiel

PY282037 Paris AFP in Spanish 1638 GMT 28 Dec 84

[Text] Lima, 28 Dec (AFP) -- The ANDEAN REPORT, a magazine published in Lima, today reported that the Peruvian Armed Forces will manufacture jeeps, Mercedes Benz buses and trucks, and air-to-surface missiles.

The magazine, which generally publishes reliable information on investments, also reported that the Peruvian Armed Forces will not build the Italian Macchi training aircraft.

This information agrees with the provisions of the 1985 Peruvian budget law, which sets forth that the state will provide $20 million for the creation of a company by the three services of the Armed Forces. This company will produce transportation and military equipment. The budget law also authorizes the Air Force to contract a $20-million credit granted by Argentina to improve its facilities in Lima, in order to meet national defense needs.

The magazine said that the Mercedes Benz vehicles will be built at the Moraveco S.A. car manufacturing plant in Lima. The plant, to be purchased with the first $20-million allocation, will assemble trucks, buses, and jeeps under the terms of the technology transfer contracts signed with Daimler Benz and Mercedes Benz do Brasil.

As for the Air Force, the magazine reported that it has given up its project to assembly the Italian MB-339 Macchi aircraft in Lima because of the crisis [words indistinct].

The magazine also noted that consultants of the Argentine company Ingenieria Munex are helping with the supervision of the project and that several companies headquartered in Lima have built several components of the first 20 air-to-surface missiles.

AIR FORCE COMMANDER TO HEAD ARMED FORCES COMMAND

PY282050 Paris AFP in Spanish 1616 GMT 28 Dec 84

[Text] Lima, 28 Dec (AFP) -- It was officially announced in Lima today that Peruvian Air Force [FAP] Commander in Chief General Cesar Enrico Praeli has been designated president of the Armed Forces Joint Command and that he will be installed on 1 January.

A government decree issued today points out that the FAP commander in chief should hold the presidency of the Joint Command in 1985. The Joint Command is made up of the commanders in chief of the three armed services, who rotate as the president for 1-year terms.

Meanwhile, General German Ruiz Figueroa will take over as Army commander in chief on 31 January during a special ceremony at the War Ministry parade ground. Ruiz Figueroa is replacing General Francisco Lopez Maury, who will go into retirement on the same date.

SHINING PATH TERRORISTS BLOW UP BRIDGE

PY301741 Paris AFP in Spanish 2300 GMT 29 Dec 84

[Text] Ayacucho, 29 Dec (AFP) -- Maoist Shining Path guerrillas today dynamited a bridge on the highway between the capitals of Ayacucho and Huancavelica Departments in the Andean region of southeast Peru. At dawn the extremists arrived at the bridge, which was just recently constructed and crosses the Cachi River near the town of Julcamarca, 25 km northwest of Ayacucho.

The authorities said that the repair of the bridge, which had not yet been officially inaugurated, will take 2 weeks. The bridge had cost about 500 million soles ($100,000).

Police sources also reported that two agents of the Investigative Police (PIP) were murdered in Ayacucho today under unclear circumstances.

EL SALVADOR

LEGISLATIVE ASSEMBLY REJECTS ELECTORAL BILL

PA280150 San Salvador LA PRENSA GRAFICA in Spanish 27 Dec 84 p 47

[Text] Last night the Legislative Assembly rejected by a majority of votes, 34 in all, the electoral bill submitted by President Jose Napoleon Duarte. From 1800 to 2300 yesterday, the congressmen of the Christian Democratic Party argued in favor of the bill, while the rest of the congressmen argued against it, indicating that the attitude assumed by President Duarte was unconstitutional and a serious threat to the country's political stability.

In view of the situation, Maria Julia Castillo Rodas, president of the Legislative Assembly, will have no other alternative than to send the bill back to the executive branch, as established in Article 139 of the Constitution, and to disregard the statement made by the president of the Republic which was published in the official newspaper. Meanwhile, the congressional leaders of the Salvadoran Authentic Institutional Party, PAISA: the National Conciliation Party, PAN; and the Nationalist Revolutionary Alliance, ARENA, have issued a document, which was supported by the Salvadoran Popular Party, PPS. The document says:

1. According to the Constitution, the executive branch cannot veto a bill if it does not return it in time. The bill will be considered approved after the expiration of the 8-day deadline, which begins the moment the bill is received. This procedure is established in Article 137 of the Constitution.

2. According to Article 139 of the Constitution, bills must be published within 15 days. If the executive branch does not publish the bill within this period of time, the president of the Legislative Assembly can have it published in the official newspaper or in any of the local newspapers of major circulation in the Republic.

3. Since the constitutional procedure for passing a bill has been flagrantly violated, the partial publication of Legislative Decree No 276, as ordered by the president of the Republic, is not valid and should not be obeyed.

4. Since it is the duty and obligation of the president of the Republic to comply with the Constitution and to see that others do the same, as established in Article 168, Paragraph 1, of the Constitution, the Legislative Assembly has the power to assign formal responsibility for the case, according to Articles 235, 236, 237, and 244 of the Constitution, and to cite the last paragraph of Article 246 of the Constitution, we conclude that "the Constitution will prevail over the laws of the Republic and public interest over private interest."

HONDURAS

ARMED FORCES RETIRES CASTILLO, MONTOYA

PA291719 Panama City ACAN in Spanish 1659 GMT 29 Dec 84

[Text] Tegucigalpa, 29 Dec (ACAN-EFE) -- The Honduran Armed Forces today announced the retirement of 21 officers, including Generals Daniel Bali Castillo and Ruben Dario Montoya.

Bali Castillo was the military attache at the Honduran Embassy in Lima, and was chief of police during the mandate of former Armed Forces Chief General Gustavo Alvarez Martinez, now exiled in Miami.

During the same period, Gen Montoya was commander of the Honduran naval forces and, until his retirement, held a diplomatic post in Taiwan.

The other high-ranking officers retired from the Honduran Armed Forces include Colonels Ramon Reyes Sanchez and (Jose Antonio Garay), who "were honorably discharged," according to the military report.

'BIG PINE III' EXERCISES TO BEGIN JANUARY

PA281448 Tegucigalpa Domestic Service in Spanish 1130 GMT 28 Dec 84

[Text] Colonel Efrain Lisandro Gonzalez Munoz, chief of the joint staff, has announced that the "Big Pine III" joint military maneuvers will begin in January. He said that some of the special U.S. equipment for the maneuvers has already arrived in Honduras and the rest will be arriving in the beginning of January. Special operations with specific objectives and with the participation of the staffs of the battalions will be carried out in the beginning. The "Pegasus-3" exercise will take place in January. It will consist of training officers without troops as a preparatory action for more advanced maneuvers.

Col Gonzalez Munoz said that the maneuvers will end in March with the "Scorpion" exercise, which is a defensive operation against armored vehicles. It will be carried out in southern Honduras, specifically between San Bernardo and Choluteca. Approximately 3,000 Honduran soldiers and 1,200 U.S. soldiers will participate in the "Scorpion" exercise.

In these training maneuvers, the naval forces will be involved only in coastal vigilance tasks. In Victoria, Yoro Department, units to counter insurgents and rural terrorists will be trained. Almost all the participants will be Honduran. This series of exercises was approved in 1983. Therefore, they do not come under the current negotiations between the Honduran and U.S. authorities.

NICARAGUA

ORTEGA: REAGAN RESPONSIBLE FOR CURRENT TENSION

PA300222 Managua Radio Sandino in Spanish 1830 GMT 29 Dec 84

[Text] Hamburg -- The German press agency DPA has reported that Nicaraguan President-elect Daniel Ortega has said that his country has really tried to maintain good relations with the United States and that U.S. President Ronald Reagan is responsible for the current tension.

During an interview with the Hamburg weekly DER SPIEGEL, which is to hit the newstands on 31 December, Commander Ortega declared that as soon as the Nicaraguan revolution was successfully completed, efforts were made to have good relations with the United States. With this in mind, he met in Washington with Jimmy Carter, then U.S. president. According to Ortega, the two openly discussed the mistakes that the United States had made regarding Nicaragua and that the United States had a good chance to gain the confidence of the Nicaraguan people.

Carter expressed his fear that the Nicaraguan revolution might become a military ally of the Soviet Union. Commander Ortega said: Ours was a fruitful dialogue. I believe that President Carter really tried to have better relations with us. Ortega will assume office as president of the republic on 10 January. He added that Reagan has returned to the traditional U.S. policy of threats and invasion in Latin America. He said: I believe that all possibilities for an understanding with this U.S. Government have been exhausted.

STEPS TOWARD RESUMPTION OF DIALOGUE CONTINUE

PA290230 Managua Radio Sandino Network in Spanish 0000 GMT 29 Dec 84

[Text] In what has been viewed as an advance toward the resumption of the national dialogue, the leaders of nine political parties today, after 4 hours of deliberations, formed a commission that will prepare a draft proposal. Luis Sanchez Sancho, representative of the Nicaraguan Socialist Party and spokesman for the meeting, reported that during today's meeting the serious problems that Nicaragua is experiencing were discussed and that all the political parties agreed that the national dialogue is essential to the unification of all the country's efforts.

We have advanced in the definition of concrete matters that help smooth out rough spots, the Socialist leader said. He added that after the commission of political parties finishes the draft, it will be submitted to the FSLN National Directorate. Sanchez announced that a subsequent meeting has been scheduled for next Thursday at 1600 at the headquarters of the Social Christian Party in Larreynaga neighborhood.

COSTA RICA DEMANDS ASYLUM SEEKER'S RETURN

PA281902 Managua Radio Noticias in Spanish 1200 GMT 28 Dec 84

[Text] San Jose, 28 Dec (ANN) -- The Costa Rican Foreign Ministry has demanded that Nicaragua return Jose Manuel Urbina, who had sought political asylum at its embassy in Managua since last August for reasons that are still unclear. Foreign Minister Carlos Jose Gutierrez sent a note to his Nicaraguan counterpart, Miguel D'Escoto, warning that if the request is not granted relations between the two nations would be gravely endangered. The Costa Rican Foreign Ministry reported that no one entered the embassy's premises, adding that the political refugee had been forced to leave.

A communique issued by the Nicaraguan Foreign Ministry said that young Urbina had been arrested when he disobeyed the order to stop while trying to leave the premises. On the night of 24 December, Urbina tried to escape the diplomatic mission with an unidentified woman who came for him. The police officer ordered them to stop and fired into the air as a warning. The communique adds that the two people tried to re-enter the embassy but their vehicle crashed against a wire gate. When the police officer came a struggle ensued and shots were accidentally fired. One of the shots wounded Urbina in the leg.

Foreign Minister Gutierrez told his Nicaraguan counterpart that Urbina's return should be carried out according to international conventions on the right to asylum. Otherwise, relations between the two Central American countries would be seriously endangered.

SECOND RADIO IMPACTO CORRESPONDENT ARRESTED

PA302013 Panama City ACAN in Spanish 1952 GMT 30 Dec 84

[Excerpts] San Jose, 30 Dec (ACAN-EFE) -- The Costa Rican radio station Radio Impacto today reported that Salomon Calvo Arrieta, its correspondent in Managua, has been arrested by the Nicaraguan police. Calvo is the second Radio Impacto correspondent to be arrested in the Nicaraguan capital in the past 9 months.

According to the radio station, at 2000 on Saturday, eight policemen in military clothing, led by Captain Oscar Loza, appeared at Calvo's residence with an arrest warrant issued by the state security organization. The policemen arrived in two official vehicles. Calvo Arrieta, who was given no reason for his arrest, was hustled into one of the vehicles and taken to an "unknown destination," according to Radio Impacto.

TOWNSPEOPLE CLASH WITH POLICE OVER RECRUITMENT

PA290419 Paris AFP in Spanish 0159 GMT 29 Dec 84

[Excerpt] Managua, 28 Dec (AFP) -- Hundreds of parents confronted members of the Sandinist police with sticks and clubs early Thursday morning in the city of Nagarote, 48 km north of Managua, to stop them from recruiting their sons into the Patriotic Military Service (SMP), it was learned in Managua today. The town's parish priest, an Italian Capuchin, was arrested during the clash. It has been unofficially reported that the clash broke out when the police arrived to "forcefully take" some 300 youths over the age of 16 from their home.

"They woke up the whole town when they arrived in military trucks to take our sons away," a Nagarote woman who refused to be identified told us over the telephone. She said that the townspeople "became enraged" at the way in which the Sandinist authorities arrived in the middle of the night to round up the recruits.

"Many youths were able to elude the police when the fighting broke out, but others were forced into military vehicles that left for an unknown destination," the source reported. According to the unofficial report, Father Abdilio, whose surname was not given, joined the parents' protest and rang the church bells to alert all the villagers.

Police arrested the priest after the wrangle, but it was reported that he was released several hours later.

Thus far it is not known how many youths were recruited and how many were able to flee during the confusion. It was also not reported if there were any serious injuries on either side, although the source did point out that the police had only fired some shots into the air.

As of tonight, the Nicaraguan media has maintained complete silence on the Nagarote incident, as is customary in these cases. Meanwhile, Msgr Julian Barni, bishop of Leon Department, refused to comment on the developments.

ARDE SAYS FSLN RESORTING TO CHEMICAL WARFARE

PA282111 San Jose Radio Impacto in Spanish 1830 GMT 28 Dec 84

[Text] The Democratic Revolutionary Alliance, ARDE, directed by Commander Eden Pastora Gomez, has reported that the Sandinists are using chemical warfare in the southern part of Nicaragua. The report was given at a press conference where the ARDE Directorate reported on its actions in the political and military fields during 1984. According to ARDE, the Sandinists are using the so-called yellow rain. This is what Jose Davila, a member of the ARDE Directorate, told Radio Impacto.

[Begin recording] We have been reporting that the Sandinist Front is using large quantities of Soviet weapons. However, the guerrilla warfare tactics implemented by Commander Pastora, which has carried him as far as the Rama and Escondido Rivers, have been difficult for the Sandinist People's Army [EPS] because our people hide and work in small groups. As a result, they have used the MI-24, for example, to fire at our people. But this weapon did not cause much damage, so in the past 9 days they have turned to chemical warfare. They have fired with mortars the substance known as yellow rain, which has resulted in two victims within the ARDE ranks.

This is the type of bacteriological [as heard] warfare used by the communists in Afghanistan against the Afghan people. This bacteriological [as heard] warfare is such that the companeros turn totally black for several days, they suffer great physical pain, their skin sheds, and they become insane, all within 3 to 4 days.

We have reported this because the Interior Ministry and the Stalinists are doing this. This is a serious problem and it violates all human rights, and the Geneva Convention, which regulates armed activities. Therefore we make this report, and state that this is an extreme measure against the people themselves. The persons responsible are the nine, who have allowed the Cubans and Soviets to enter our country to repress and murder Nicaraguans. [end recording]

Jose Davila added that this is the first time that chemical warfare has been used in Central America, and that it is used on Soviet orders. Davila, on behalf of ARDE, rejected accusations made in U.S. newspapers stating that the anti-Sandinists commit crimes against their prisoners of war. Davila said that this is part of the disinformation campaign by the communists, and added that this year alone, ARDE turned over more than 400 prisoners to the International Red Cross.

GOVERNMENT USES MI-24'S TO BOMB CIVILIANS

PA290414 (Clandestine) Voice of Sandino in Spanish to Nicaragua 2230 GMT 28 Dec 84

[Text] Only weeks before the electoral fraud was held by the nine Marxist-Leninists, the arrival, in Nicaragua, of the Soviet-made MIG-21 planes was temporarily neutralized in Manzanillo. But the nine Marxist-Leninists always seem to have an extra card up their sleeve and can always count on unconditional advice from Moscow. As usual, the Stalinist directorate believes that whatever Washington does not forbid is tacitly allowed, so they immediately arranged for the delivery of the Soviet-made MI-24 helicopters to murder the people.

Only days later, using the already known lies, the Managua tyrants blatantly declared that the helicopters had been requested for the defense of the people in case of an alleged invasion, but our people know very well that this flying tank, as it has been described by the tyrants, is nothing more than scrap iron being used to destroy the towns of innocent peasants who live in the mountains of our homeland.

The Democratic Revolutionary Alliance, ARDE, denounces before the Nicaraguan people and the free peoples of the world, the vile and indiscriminate bombings andkillings of our peasants, women, children, and elderly by Soviet imperialism. Our peasant insurrection is indestructible and it will continue to advance and consolidate positions until it has freed our homeland from international communism.

FIDEL CASTRO PRESIDES OVER 10TH PCC PARTY PLENUM

FL281424 Havana Domestic Service in Spanish 1145 GMT 28 Dec 84

[Text] Presided over by its first secretary, Commander in Chief Fidel Castro, the 10th Plenum of the Central Committee of the Communist Party of Cuba has been held in the city of Havana. The plenum approved the announcement convoking the third party congress, which will be made public immediately, and the norms governing the selection of delegates to the third party congress.

At the plenum, economic and social development projects, the 1985 state budget, and other matters were studied. Conservation of the nation's resources and the rationalization of an improvement in their exploitation were important considerations of the plenum.

The plenum said that, in contrast with other nations, each peso that Cuba saves represents an increase in national resources that do not escape abroad. It was emphasized that Cuban economic development strategy is based on the vigorous promotion of increased exports, their diversification, and the substitution of imports. The plenum said labor productivity will increase considerably and will account for approximately 80 percent of planned 1985 economic growth.

The plenum studied two aspects of party ideological work that are of capital importance: that related to economic development and that related to national defense. Fidel said: In conservation we have our greatest and most immediate possibility. Fidel also stressed the fact that Cuban defensive capability has been increased several times by combining principles of military science with the doctrine of the organization and training of the population to fight a people's war if necessary. We have created a force of millions of armed and trained men and women, Fidel said, and a popular resistance organization that would make any military adventure against Cuba incomparably more costly.

With regard to international politics, our commander in chief stressed the proven validity of the principled Cuban position towards the complex world panorama.

In his concluding remarks at the 10th plenum, the first secretary of the Central Committee stated his firm confidence in the people's determination and spirit of sacrifice to confront and overcome all difficulty saying that, together with the maturity and sense of responsibility of the personnel shaped by the revolution and the objective premises that have been created, they constitute a solid guarantee that we will reach the third congress of our party, to be held in late 1985, with a program that will synthesize our revolution's fertile experience in revolutionary struggle and creative work and establish guidelines for the progress of Cuban society to the end of the century, following the path of social justice and progress that only socialism gives to humanity.

Notes People's Preparedness

PA282015 Havana International Service in Spanish 1600 GMT 28 Dec 84

[Text] Cuban President Fidel Castro has said: Our country has objective conditions allowing it to fulfill international commitments, maintain the level of social services, upgrade their quality, and continue achieving satisfactory progress through the implementation and optimization of its material and human resources. He made this statement at the conclusion of the 10th Plenum of the Communist Party of Cuba Central Committee held on 24, 25, and 26 December in Havana.

The top Cuban leader thoroughly discussed the strategic criteria that have been developing and enriched by experiences encountered in the process of building a socialist system in Cuba, economic relations with socialist countries, and our material, political, and moral potential that allows us to draw up a concise and realistic plan for 1985.

He pointed out that the defensive capability of our revolution has multiplied every time the principles of military science have worked hand in hand with the doctrine of organizing and preparing the people to wage the war of all the people, should that be necessary.

Our commander in chief stressed at the conclusion of the 10th plenum of the party that our efforts led to the establishment of a force made up of millions of armed and trained men and women and a popular resistance structure that would make any military adventure against Cuba extremely prohibitive in terms of cost.

As for international policy, top Cuban leader Fidel Castro elaborated on the points he outlined during the Sixth Congress of the Federation of Intermediate Level Students on 8 December. He maintained the proven validity of Cuba's stand based on principles to face the complex world situation.

After his address the first secretary of the Communist Party of Cuban Central Committee voiced his firm confidence in the Cuban people's determination and spirit of sacrifice to tackle and conquer any difficulty.

REPORTAGE ON ANPP SEVENTH REGULAR SESSION

Housing Law Discussed

FL281356 [Editorial report] Havana Television Service in Spanish at 1403 GMT on 27 December begins live coverage of the seventh regular session of the National Assembly of the People's Government's [ANPP] at the Palace of Conventions in Havana.

The opening shot shows Fidel Castro entering the auditorium to the applause of the presiding committee and the delegates. A pan shot then shows the presiding committee which includes Fidel Castro, Flavio Bravo, ANPP president, Carlos Rafael Rodriguez, Osmani Cienfuegos, Senen Casas Regueiro, Roberto Veiga, and Vilma Espin among other high officials, and the delegates seated in the auditorium.

The Cuban national anthem is played, and at 1405 GMT, Flavio Bravo welcomes the officials, delegates, and guests, and asks if there is any old business to discuss. There is none, and he then reads the ANPP's agenda. The agenda is: discussion and vote on the projected general housing law, the Council of State's rendering of accounts report, the Council of Minister's rendering of accounts report, the Ministry of Higher Education's report, discussion and approval of the projected work code, the Pinar del Rio Provincial Assembly's report, discussion and approval of the projected single 1985 law plan for economic and social development, discussion and approval of the projected 1985 budget, the National Assembly's international activities report, and discussion and approval of the projected law on state notaries. He notes that discussion will not necessarily be in that order.

At 1412 GMT, Flavio Bravo opens the first topic on the agenda which is the projected general housing law. He then gives a brief history of the housing situation in Cuba and details of the projected law. Flavio Bravo calls for a vote on whether or not to discuss this law. It is passed unanimously by a show of hands, and there is a close up shot of Fidel Castro raising his hand in favor of the law.

Josefina Revellon, president of the ANPP's construction and housing committee, then gives a brief speech on the projected law, providing details and recommending additions and modifications to several of the law's articles.

Revellano ends her speech at 1448 GMT, and discussion is opened on the projected law to the delegates and high-level officials. Several points on the housing law are brought up by delegates which include the division of property to children in the case of divorce and remarriage by the parents, and the question of property settlement to children by previous and later marriages. Discussion did not resolve these issues at this point.

Another matter discussed was the law's treatment of the situation when people are removed from their homes, for a variety of reasons, and the problems which arise in providing houses for them. The term "acceptable" housing was proposed to replace the word "similar" housing in the passages of the law covering this matter.

At 1508 GMT, Fidel Castro enters into the discussion of the terminology used in this article, and how this law will affect and have repercussions on people who transfer to different types of work or who move to another place. He underscores his understanding of the many problems which will rise after this law is put into practice. Fidel then proposes that those who have a better understanding of these problems meet to discuss this issue.

At 1540 GMT, Fidel Castro again speaks on the same issue and emphasizes the "phenomenal scarcity of housing" and the problems this creates. Fidel then makes several points which include problems arising from people living "illegally" in an area or in an "illegal" house, that houses for diplomats and foreigners will not be under this projected law, that the state does not make a profit when it sells the houses, and that the state has the right to expropriate any real estate when deemed necessary.

Fidel then proposes that the Institute on Housing [Instituto de la Vivienda] give further study to the issue of what type of housing to provide if a person is moved and that this issue not be voted on at this time.

At 1604 GMT, voting takes place on whether the Housing Institute should study this portion of the law, and the proposal is passed.

Flavio Bravo then immediately calls for a half hour recess.

The session reconvenes at 1640 GMT. Flavio Bravo reads a statement on the first issue which rose on the discussion of children's inheritance and says "housing will be in the name of the married couple."

Discussion then proceeds on various other matters of the housing law. The issues which come under discussion are on who will repair the common areas within multi family housing, and the matter of vacation houses, especially on beaches, not being able to be used as permanent residences or inherited.

The proposal is made that the latter issue be deleted from the projected housing law. Fidel Castro points out that it need not be part of the law because people can be discouraged from residing in vacation areas permanently by other measures. Voting takes place and this passage is omitted from the law by a unanimous vote.

At 1910 GMT, the entire projected housing law is voted on and passed unanimously by a show of hands. Recess is called until 2130 GMT, and the broadcast ends at 1915 GMT.

Castro Presides

FL281850 Havana Domestic Service in Spanish 1700 GMT 28 Dec 84

[Text] Commander in Chief Fidel Castro Ruz, first secretary of the party and president of the Councils of State and Ministers, is presiding over the second workday of the seventh regular session of the National Assembly of the People's Government [ANPP], which is being held in the Palace of Conventions of this capital.

During the morning today, the ANPP discussed the proposed Labor Code and the proposed Single Plan for Economic and Social Development in 1985, and approved other important documents.

During yesterday's session, the commander in chief provided enriching comments on the proposed Housing Law approved by the ANPP. The first question debated was Article 66, which deals with the rights of children from previous marriages; Deputies Juan Escalona, Humberto Perez, and Alfredo Nieto participated in this debate. The ANPP plenum decided that a commission will draw up a definitive version of the proposed law.

In the debate on the conditions referring to the so-called related homes [casas vinculadas], Commander in Chief Fidel Castro, Carlos Rafael Rodriguez, Osmani Cienfuegos, Jose Amaro Salup, Luis Martell Rosas, Jorge Mena, and Senen Casas participated.

The spirit of the debates was saturated with the desire not to hurt any citizen nor encourage vain hopes of expenditures that the state is in no condition to make. In another of his opportune contributions, our commander in chief stressed the fact that there is no danger that injustice will be done to any family, due to the traditions, habits, and respect for persons that exist within the revolution. Later, he said the revolution had never used its expropriation rights but rather has always had the patience to talk with the people and persuade them.

During the afternoon session, the entire text of the report on the rendering of accounts presented by the Ministry of Higher Education to the ANPP was read by Deputy Fernando Vecino Alegret.

Projected Labor Code Discussed

FL281720 Havana Domestic Service in Spanish 1502 GMT 28 Dec 84

[Text] During the second workday of the seventh regular session of the National Assembly of the People's Government [ANPP], the delegates have been studying the projected labor law, and the recommendations to it which were read by Noel Zubiaur.

There were 13 recommendations in the report presented by the labor and social security committee of the ANPP, and the opinions of the members of the National Assembly's constitutional and legal matters committee were heard.

The many suggestions by the workers on the projected labor code fully supported the different aspects of the document, which constitutes a faithful expression of democratic principles in a socialist society.

Deputy Roberto Veiga, who emphasized the workers class broad acceptance of the new law, was present at the morning session of the ANPP's second workday. Speaking during the debates on the labor code at the ANPP meeting, Deputy Roberto Veiga pointed out that the workers had massively discussed the document. He said more than 2 million workers had participated in these assemblies, with nearly 270,000 suggestions made during the discussions, and that there were 55,866 proposals made with 588 statements finally agreed upon, after resolving problems mostly dealing with style.

Veiga said the objective of the labor code submitted to the National Assembly for discussion was to agree on the principles which guide the rights and obligations of the workers.

Labor Code Provisions

FL282106 Havana Television Service in Spanish 1800 GMT 28 Dec 84

[Text] The labor law was passed this morning after discussion at the seventh session of the National Assembly of the People's Government [ANPP] at the Palace of Conventions in Havana.

The morning session was presided over by Commander in Chief Fidel Castro, president of the Councils of State and Ministers.

The morning session started with Deputy Noel Zobeaur reading the report on the projected labor code. This important document emphasizes that the projected law complements the constitutional precepts within our socialist labor guidelines.

[Begin Deputy Noel Zobeaur recording -- broadcast in progress] The committee members, previously selected for being representative and after attending numerous assemblies, after studying the projected law, consider it opportune to propose to the National Assembly its approval of the following recommendations. Each worker who is kept from working due to age, disability, sickness, or work-related injury will receive adequate protection through needed services, goods, and monetary benefits from the social security system, and in the case of the death of the worker, the family members will receive this protection in accordance with the law.

The committee knows of the work which has been conducted with the purpose of providing the labor code with the legel complementary provisions, and considers that among other matters, priority should be placed on the rehabilitation of workers who have been given work sanctions, including the cases when the worker was the object of disciplinary measures in virtue of previous standard provisions. [end recording]

One of topics most debated by the plenary was the compulsory measure which specified that union chapters must enter into labor contracts.

[Begin Roberto Veiga, secretary general of the Central Organization of Cuban Trade Unions, recording]

We believe that this matter limits the authority of management. I think that management has to be able to count on the union. Furthermore, the union, at the grassroots level, does not have the means to investigate, because union chapter leaders are workers who have to work 8 hours, go to school, and to meetings, and therefore, how can he investigate in order to give a report. This then places him in a position where he cannot give a responsible report. And, we really believe that this limits the manager's authority. [end recording]

After passing the labor code, Pinar del Rio Province's rendering of accounts report was read to the ANPP session.

ANPP Agenda Passed

FL291424 Havana Domestic Service in Spanish 1145 GMT 29 Dec 84

[Excerpt] The seventh regular meeting of the National Assembly of the People's Government [ANPP] second legislature ended yesterday with a speech by Commander in Chief Fidel Castro, first party secretary of the Central Committee and president of the Councils of State and Ministers.

The ANPP yesterday passed Pinar del Rio Province's report, the rendition of accounts on international activities, and three projected laws: the single economic and social development plan, the national budget law, and the state notaries law.

Castro Closes ANPP Session

FL291300 Havana Domestic Service in Spanish 1100 GMT 29 Dec 84

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers, last night closed debates held at the important seventh regular session of the National Assembly of People's Government [ANPP] second legislature with a brilliant and detailed analysis of the topics on the agenda.

The projected single 1985 plan for economic and social development and the 1985 national budget were discussed and passed at the evening session.

During the morning session, the attending 470 delegates passed the labor code, which incorporates into a single legal body the principles encompassed within the labor and social security legislation of a socialist society, and Pinar del Rio Province's people's government rendition of accounts report.

Jorge Lezcano, ANPP vice president, read the ANPP's international activities report, and reported that 1985 will be called the "Year of the Third Congress."

Lezcano also reported during the evening session that in the first semester of 1985, the Ministry of Fishing Industry and Granma Province would be presenting their accounts report to the ANPP.

Shortly before the close of the seventh regular meeting of the ANPP's second legislature, Commander in Chief Fidel Castro, president of the Councils of State and Ministers, gave a brilliant speech in which he called for the beginning of an economic battle by all the people.

On the recently passed general housing law, the chief of the Cuban revolution said: Only a socialist state can create this law which we have just passed, and which will transform the citizens of the country into homeowners.

Fidel said that another very important law which was passed was the labor code, and said that there also had been opportunity to hear the report on higher education, where there has been such a colossal leap, that Pinar del Rio Province's [word indistinct] has almost as many university students as in all of Cuba before the triumph of the revolution.

He described Pinar del Rio's report as magnificent, and referred to happily being able to appreciate the colossal changes this province has experienced through 26 years of revolution.

Fidel said the most important and significant agreement reached at the ANPP meeting was the 1985 economic and social development plan.

The commander in chief underscored that the report read by Humberto Perez summarized the 1984 plan's results showing economic and social rates which were really very good, and asked which Latin American nation could today show this rate of growth.

Further on, Fidel said that at this time, the tense international situation and imperialism's threats of aggression have created truly revolutionary concepts in Cuba in the areas of defense and economy.

Fidel said that we have acquired an extraordinary defense capability, but that we will continue preparing and organizing ourselves. He also called on releasing an economic battle by all of the people and reiterated that we have never been discouraged by hard work, saying that in the struggle to save, for export development, and for import substitution we can do much, whatever the persecution measures adopted by imperialism.

On ending his speech last night before the ANPP session, Commander in Chief Fidel Castro said that we need peace to develop our plans, but we are also prepared for war, and if the enemy attacks, it will have to pay an unpayable price, that of defeat and humiliation.

SOVIET NAVAL FLOTILLA ARRIVES IN HAVANA

FL281942 Havana Television Service in Spanish 1800 GMT 28 Dec 84

[Text] A Soviet naval flotilla consisting of the destroyer Otlichnyy, the antisubmarine ships Zadorny and Razitelnyy, a diesel submarine, and the tanker (Nynarak) has arrived in Havana port on an official and friendly visit to participate in the events to be held on independence day.

Chief of the detachment Vice Admiral (Vilyam Petrovich Ryabov) deputy chief of the North Sea Fleet, and his crew were met by Chief of Staff of the Cuban Revolutionary Navy Ship Captain Pedro Perera Ruiz and by Rear Admiral (Gennadiy Mikhaylov), Soviet military, navy, and air force attache at the USSR Embassy in Cuba.

The Cuban people also extended a warm welcome to the Soviet naval flotilla.

Later, Vice Adm (Ryabov) met with Rear Admiral Jose Cuza Tellez, Revolutionary Armed Forces vice minister, chief of the Cuban Revolutionary Navy, and alternate Central Committee member, at the offices of the Havana Province assembly of the people's government where they held a fraternal meeting with Oscar Fernandez Mell, president of this organ of the government of Havana.

Welcoming Ceremony

FL291346 Havana Domestic Service in Spanish 1100 GMT 29 Dec 84

[Text] Rear Admiral Jose Cuza Tellez Giron, alternate Central Committee member, vice Revolutionary Armed Forces minister, and chief of the Cuban Revolutionary Navy [MGR], has visited the Soviet naval flotilla which arrived in Cuba on an official and friendly visit.

Accompanied by the commander of the detachment Vice Admiral (V.P. Ryabov), deputy chief of the North Sea Fleet, Rear Admiral Cuza toured the flag ship and showed his interest in the characteristics of the ship and the crew's living conditions.

The Soviet naval detachment visiting Cuba comprises the destroyer Otlichnyy, the antisubmarine ships Zadornyy and Razitelnyy a diesel submarine, and the tanker (Nynarak).

Oscar Fernandez Mell, Central Committee member and president of Havana City's people's government, also met with Vice Adm (Ryabov) and the other naval officers.

That morning, the Cuban people had given a warm welcome to the important naval detachment, artillery salvos were fired when the flotilla entered Havana port, while the MGR land units presented a military honor welcome

YUGOSLAV OFFICIAL ON BILATERAL RELATIONS

FL291706 Havana Domestic Service in Spanish 1520 GMT 29 Dec 84

[Text] Mito Pejovski, member of the Federal Executive Council of Yugoslavia, has said the dynamics of economic relations between Yugoslavia and Cuba in 1984 have brought about an adequate bases for increasing and systematizing cooperation.

In an interview with PRELA in Belgrade, Pejovski recalled meetings between high-level officials from the two countries which included a meeting with Commander in Chief Fidel Castro.

Pejovski believes that Fidel's interest and focus on talks with Yugoslav leaders have been very useful and have opened new perspectives in cooperation. He said although trade between Cuba and Yugoslavia in 1984 was for $20-30 million, this figure did not reach the $4 million 3 or 4 later on [as heard] which shows the dynamic rhythm of the relations.

Pejovski, who is also president of the joint Yugoslavia-Cuba economic and scientific-technical cooperation committee, said there was bilateral interest for improving ties of exchange. He recalled that the first accord on long-term bilateral health cooperation was signed this year during Cuban Minister of Public Health Sergio del Valle's visit to Yugoslavia.

During this visit the bases for cooperation in planning were established, and Pejovski said that the next meeting in Havana in March, 1985 would strengthen these ties. Pejovski also talked about cooperation in the manufacturing of equipment, and said that 1984 had demonstrated the possibility of increasing cooperation on more stable bases.

'OUR AMERICA' ON ARGENTINA'S ALFONSIN 1ST YEAR

PA281549 Havana International Service in Spanish 2310 GMT 26 Dec 84

[Text] Although time has passed quickly for some, for Argentine President Raul Alfonsin his first 12 months in power must not seem to have flown. Dragging the heavy weight left behind by 10 years of military dictatorship; the specter of 35,000 missing persons haunting the Casa Rosada [presidential palace]; generals bragging about the atrocities they have committed; the Malvinas Islands' open wound; and an economy in shambles, there may be moments when Alfonsin longs for the peaceful years when he was just one other militant of the old Radical Civil Union.

While the common citizen is getting ready to celebrate the end of the year, to the extent that inflation will allow, the Argentine Government led by Alfonsin is trying to triumph over the problems hounding it. The present foreign debt, amounting to $45 billion, seemed less serious when the announcement was made that part of the debt was to be renegotiated with the debtor banks. However, politicians feel that this measure will bring with it new dependence. The General Confederation of Labor reacted strongly stating that refinancing the debt would lower even more the people's purchasing power because, as is traditional in capitalist countries, agreements with foreign banks and the IMF always have a recessionary impact.

Radical economists explained resignedly that part of the foreign debt had to be renegotiated because there was no alternative. But although President Alfonsin is confident that investments and exports will increase in the coming months, Argentina's foreign debt in 1985 will rise to $51 billion.

Even though the economic situation is the obligatory topic of conversation among Argentines, an ever present problem is taking on alarming proportions. We refer to the recent resignation en masse of the Armed Force's Supreme Council, which refused to judge its peers and chief perpetrators of the process begun in March of 1976. Therefore, the government is getting ready to fill the vacancies, while at the same time it is warning that the proceedings against the top-ranking officials of the dictatorship will follow the legal process.

Meanwhile, General Jorge Rafael Videla, retired, and Admiral Emilio Massera, retired, former commander of the Navy and supreme commander of the largest Argentine torture center, the Navy's Advanced School for Mechanics, respectively, have admitted their responsibility for the crimes perpetrated while they were in power.

Some may ask if this arrogance is not based on their belief that their crimes will go unpunished. The Mothers of Plaza de Mayo and relatives of the missing people continue to struggle to prevent that.

Balancing the Argentine civilian government's first year in power, some events will undoubtedly stand out: the signing of a peace agreement with Chile, much-awaited for many years, and [20-second break in transmission] nation that had been brought to the verge of an economic, political, and social abyss by the Armed Forces.

Though the economic situation continues to be difficult and no military officer has been punished despite the grave charges against them, the Argentine Government has started its second year in power with the hope that the next 12 months will be better. The people hope so too.

PEDRO MIRET EXPLAINS PRODUCTION POLICY

FL271248 Havana Domestic Service in Spanish 1100 GMT 27 Dec 84

[Text] The 1985 production plan of the Ministry of the Steelworking Industry (SIME) will total 776 million pesos, which is double the actual 1977 production. Production should reach 1.5 billion pesos by 1999. This information was given by Pedro Miret Prieto, member of the party Politburo, when he spoke in Havana at the ceremony commemorating the 10th anniversary of the founding of the SIME.

Pedro Miret said in 1985 SIME exports will total 50 million pesos. Speaking of SIME products, he mentioned steel alloys, refractory materials, and stainless steels, which will make it possible to save on exports. He added that the production and recovery of spare parts in Cuba this year had a total value of 430 million pesos and 34 percent of this amount corresponded to spare parts recovery.

When the ceremony began, Minister of Steelworking Industry Marcos Lage reviewed the development of the Cuban iron and steel industry since 1974.

GRENADA

HOUSE, SENATE TO MEET IN JOINT OPENING SESSION

FL281518 Bonaire Trans World Radio in English 1130 GMT 28 Dec 84

[Text] Grenada's Parliament convenes once again in St George's today and several Caribbean leaders will be on hand for the reopening. It will be the first session of Grenada's Parliament since 1979. The House and Senate will meet in joint session at 9:45 am, and lone opposition member Marcel Peters is not expected to be in attendance. The Grenada United Labor Party members says he does not plan to be at the House session where 14 members of the New National Party will meet.

Only three of the new lawmakers have previous parliamentary experience. Those three are Prime Minister Herbert Blaize, Foreign and Legal Affairs Minister Ben Jones, and Labor Senator C. Eric Pair. The Senate is scheduled to elect its president after the swearing in, expected to be former magistrate Larry Joseph. The House will also choose a speaker, and both presiding officers will have deputies elected.

Governor General Sir Paul Scoon will deliver the throne speech to highlight the activities.

Scoon Addresses Session

FL282336 Bridgetown CANA in English 2219 GMT 28 Dec 84

[By George Worme]

[Text] St George's, Grenada, Dec 28, CANA -- A new era of parliamentary government in Grenada was ushered in today to bad economic news by the island's governor general, Sir Paul Scoon.

Sir Paul told the first session of Parliament in more than five years that public finances were in a grim state as a result of massive debt and an excessive bureaucracy created by the leftwing People's Revolutionary Government (PRG).

The PRG seized power in March 1979 in the Eastern Caribbean's first coup, and suspended Parliament. Internal squabbling in the Marxist regime led to a military coup by hardliners and the deaths of Prime Minister Maurice Bishop and half of his cabinet in October 1983.

Nineteen former government and military officials are on trial for the murders, which triggered a U.S.-led invasion, but Sir Paul announced that the new centrist government intends to appoint a full commission of inquiry to probe the Army action.

The way for the opening of Parliament was made clear by a general election earlier this month presided over by a caretaker administration and won handsomely by the New National Party (NNP) of Prime Minister Herbert Blaize with 14 of the 15 seats.

The other seat went to the Grenada United Labour Party (GULP) which declined it because of alleged election fraud. Victorious candidate Marcel Peters was absent from today's session which was attended by the prime ministers of Jamaica, Dominica, St Vincent and the Grenadines, St Lucia and Belize, and government officials and diplomats from Caribbean and other states.

Sir Paul delivered the traditional throne speech outlining the plans and policies of the new regime, amid much pomp. His 20-minute speech followed the swearing in of members of the House of Representatives and the Senate.

The governor-general said that Grenada's security will continue to be in the hands of regional and American forces for some time to come. The so-called peace-keeping contingent has been on the island since the invasion. He said these forces would be needed for logistical, technical and other back-up support as the island's police force is beefed up.

Sir Paul said at the end of November the total debt of the country had reached the staggering figure of 164.8 million dollars and the burden is likely to have significant implications for the public finances of the state for some time as the already over-strained taxable capacity of the country cannot generate the revenue to service this huge debt.

He added that the public service has reached enormous proportions annually costing the government in excess of 50 percent of recurrent revenue mainly due to a large degree of over-staffing which cannot be sustained by a small fledging economy.

The public debt situation and the excessive public service, he said have both contributed to the overall deficit of 37.2 million dollars projected by the Ministry of Finance to December 31, 1984.

It is small wonder that the people of this country have been subjected to such severe and suffocating systems of taxes that have left them with little incentives to productive effort, he said.

He said that the government intends to introduce fiscal reforms to reduce the tax burden and control the public debt and cut the public service to manageable proportions. A team of British consultants is due here to help rationalise the bureaucracy.

Sir Paul pledged that the government would rehabilitate Grenada's pot-holed roads, and improve its inadequate telephone, electricity and water services, with a view also to stimulate the interest of foreign investors.

An industrial development corporation will be set up to spearhead industrial expansion, particularly in labour intensive industries. The unemployment rate here is variously put at between 30 and 40 per cent.

On foreign policy, he said that relations with traditional friends will be maintained but those with others he did not name would be reviewed aimed at preventing the imposition of any philosophy which is hostile to our parliamentary democratic lifestyle or which is foreign or repugnant to the way of life of the Grenadian people.

Barrister Hudson Scipion was elected speaker of the House of Representatives while another attorney Larry Joseph was chosen as president of the Senate.

BRAZIL

URANIUM FROM PHOSPHATE SEPARATION PLANT PLANNED

PY291700 Brasilia Domestic Service in Portuguese 2200 GMT 28 Dec 84

[Excerpt] Mines and Energy Minister Cesar Cals and Nuclebras President Mario Gomes today presided over the signing ceremony of a contract between Nuclebras and Petrofertil, a Petrobras subsidiary, for the construction of a test plant to separate uranium from phosphate. This took place at the Itatiaia mine in Santa Quiteria municipality, 211 km from Fortaleza.

Minister Cesar Cals told the BRAZILIAN NEWS AGENCY that this project is not only important for the State of Ceara, but mainly Brazil, because this represents one more step on the way to mastering the nuclear cycle. This will set Brazil on a position of equality with other more developed countries, he said. The minister believes that in the future, the countries that have nuclear technology will have greater trading power than those countries that exploit oil.

MEXICO

NICARAGUAN ENVOY ON U.S. TALKS, CHURCH DIALOGUE

FL282042 Mexico City NOTIMEX in Spanish 1623 GMT 28 Dec 84

[Text] Mexico City, 28 Dec (NOTIMEX) -- Nicaragua's Ambassador to Mexico Edmundo Jarquin has said here that there is no indication that the United States is planning to attack his country. He said, however, that Nicaragua is ready to defend its independence, freedom, and sovereignty, in case of any foreign attack.

The Nicaraguan diplomat said U.S.-Nicaraguan talks have shown no significant progress. He said Nicaragua wants to continue talks without imposed conditions because it wishes to maintain relations with Ronald Reagan's government. At Mexico City's international airport, Jarquin told reporters that Washington is holding talks on one the hand and supporting the counterrevolution with dollars and war equipment on the other.

Jarquin said that for now, there are no indications that negotiations have been as positive as President-elect Daniel Ortega Saavedra has wished but negotiations held with Catholic Church leaders may lead the country toward higher goals of improvement through understanding and without the church's intervention in state matters. He said a new day will come for Nicaragua with the new government inspired by the Sandinist revolution and prosperity will be sought for the people who shed so much blood during the 50-year Somozist dictatorship.